

OVERSIGHT BOARD AGENDA STAFF REPORT

TO: Honorable Chair and Members of the Oversight Board

FROM: Francesca Tucker-Schuyler, Executive Director of Successor Agency

SUBJECT: Request that the Oversight Board Approve the Transfer of Certain Properties to the City of Montebello and a Revised Long Range Property Management Plan

DATE: May 6, 2015

SUMMARY

The Montebello Successor Agency (“**Successor Agency**”) requests the Oversight Board approve:

- 1) Transfer of the following properties from the Successor Agency to the City (the “**Housing Properties**”) as “housing assets”: 112 S. 6th Street (APN # 6349-005-901); 114 S. 6th Street (APN # 6349-005-900); and 124 S. 6th Street (APN # 6349-005-902);
- 2) Transfer of the property located at 737 N Montebello Boulevard (APN # 5293-013-901), commonly known as “**Taylor Ranch**” to the City as a “governmental purpose” property; and
- 3) An amendment to the Successor Agency’s Long Range Property Management Plan (the “**Plan**”) to remove the above referenced properties, as well as a parcel currently owned by the City of Montebello (“**City**”) (North Montebello Boulevard (City Tower) – APN # 5293-001-800).

BACKGROUND

Upon dissolution of the Community Redevelopment Agency of the City of Montebello (“**Agency**”), its assets, properties, and buildings were transferred to the Successor Agency for management in accordance with Assembly Bill 1X 26 (as amended, the “**Dissolution Act**”).¹ The Dissolution Act divides former redevelopment agency (“**RDA(s)**”) real properties into three general (3) categories, and provides a different disposition process for each:

- Housing Properties – Properties acquired for low and moderate income housing purposes, with any source of funds, are to be transferred to the entity assuming the “housing-related” functions of the former RDA.² Such properties may be transferred either through

¹ Health & Safety Code § 34175(b).

² §§ 34176(e)(1); 34177(g).

the “housing asset list” process (which occurred in August 2012),³ or separately with Oversight Board and Department of Finance (“**DOF**”) approval.⁴

- **Governmental Purpose** – Properties constructed and used for a “governmental purpose” (which include roads, school buildings, parks, police and fire stations, libraries, and local agency administration buildings) are to be transferred to the appropriate government entity.⁵ Governmental purpose properties may be transferred either through the Long Range Property Management Plan (“**LRPMP**”),⁶ or with separate Oversight Board and DOF approval.⁷
- **All Others** – All other real properties (*i.e.* excluding all housing properties and transferred governmental purpose properties) must be included in the successor agency’s LRPMP, and disposed of consistent with the plan.⁸

DISCUSSION

On November 12, 2014, the Oversight Board approved the Successor Agency’s LRPMP (the “**Original Plan**”), which addressed the disposition of several properties. (Exhibit “A”.) Because the Successor Agency has not yet received its “finding of completion” from DOF, the Original Plan has not been submitted for DOF review. Based on the discussion below, the Successor Agency respectfully requests the Oversight Board remove the following properties from the Plan, and approve their immediate transfer to the City.

1) The City Tower Parcel

Property 2 in the Plan is identified as “North Montebello Boulevard (City Tower), (the “**City Tower Parcel**”). The City Tower Parcel is comprised of approximately 2.1 acres, and is improved with a City public safety communications tower and underground water reservoir. (Exhibit “A”, pg. 9.) To allow for continued use as a public safety communications tower, the Original Plan recommended transfer of the City Tower Parcel to the City as a “governmental purpose property.”

In anticipation of carrying out this and other transactions contemplated in the Original Plan, the City caused a subsequent title report to be completed for all Agency-owned properties. This process revealed that title to the City Tower Parcel is vested in the City, not the former Agency. (Exhibit “B” [Title Report], Exhibit “C” [Grant Deed].) As such the City Tower Parcel should not be included in the Plan, and the Successor Agency respectfully requests it be removed. Because title is already vested in the City, no affirmative transfer of title is requested or required.

2) The Housing Properties

The Housing Properties (identified above) were cumulatively included in the Original Plan as Property 3 and slated for liquidation. (Exhibit “A”, pp. 4.)

³ § 34176(a)(2).

⁴ § 34181(c), (f).

⁵ § 34181(a).

⁶ § 34191.5(c).

⁷ § 34181(a),(f).

⁸ § 34191.5.

However on December 3, 2014, the City received notice from the federal Department of Urban Development and Housing (“**HUD**”) that it was delinquent in obligations concerning a HOME Program loan it had issued in 2003. (Exhibit “D,” pp. 2-3; Exhibit “E,” pp. 9-10 [referencing finding 13]; see also Exhibit “F”, pp. 3 [referencing loan to Huntington Park CHDO].) In response to HUD’s findings the City reviewed its internal files and learned this loan, in the amount of \$889,106, had been issued to acquire 124 S. 6th Street. Additionally through this process, the City discovered the adjacent properties located at 112 and 114 S. 6th Street were similarly acquired with HOME Program funds.

The chain of title for these properties is complex:

In 1989, the Agency formed a Parking Assessment District along Whittier Boulevard to alleviate current and further parking deficiencies in the downtown area. As part of this effort, in 1991 the Agency acquired the properties at 112-114 S. 6th Street. (Exhibit “G”, pp. 2; Exhibit “H”, pp. 1.) A search of Agency records did not reveal the exact date of acquisition, the funding source, or the acquisition cost.

On November 13, 2003, the Agency and Huntington Park CHDO, Inc. (“**Huntington Park**”) entered into a Memorandum of Understanding for the development of 25-28 affordable housing units at 112-124 S. 6th Street. (Exhibit “H”, pp. 1-2.) In furtherance of the project the Agency agreed to: (1) provide \$420,000 in HOME Program funds to Huntington Park for its acquisition of 124 S. 6th Street; (2) provide \$140,000 in HOME Program funds for first time home buyer assistance; and (3) transfer title of 112 and 114 S. 6th Street to Huntington Park for \$1. (*Ibid.*) Huntington Park subsequently acquired 124 S. 6th Street with the HOME loan and took title in its name. (Exhibit “I”, pp. 1.)

However prior to the Agency’s transfer of 112-114 6th Street, the parties negotiations concerning a development agreement for the project fell through. (Exhibit “I”, pp. 1-2.) Litigation ensued, which was settled in October 2006 with Huntington Park transferring title of 124 S. 6th Street to the Agency in exchange for a mutual waiver of costs. (Exhibit “I”, pp. 2-3.)

On December 27, 2006, the City purchased 112-114 6th Street from the Agency for \$925,000 in federal HOME Program funds in anticipation of constructing a multi-family housing project and parking structure. (Exhibit “J”, pp. 1-2; Exhibit “K”).

In March 2008, Agency staff realized the settlement agreement reached with Huntington Park improperly transferred title to 124 S. 6th Street to the Agency. (Exhibit “L”). Because HOME Funds were used to acquire the parcel, as opposed to Agency funds, title should have transferred to the City. To remedy this, on March 13, 2008, the Agency quitclaimed its interest in 124 S. 6th Street to the City. (Exhibit “L”, pp. 1; Exhibit “O”).

On July 23, 2008, the City transferred title to 112, 114, and 124 S. 6th Street back to the Agency at no cost, so the aggregate parcels could be incorporated into a low-income residential redevelopment project. (Exhibit “N”). The City also approved a \$1.3 million HOME Program Loan with the developer to develop the properties. (Exhibit “M”). The project ultimately fell through, with the developer unable to obtain financing to complete the project. Litigation ensued and the case was settled with the developer’s reimbursement of the \$1.3 million HOME Program loan. However as a remnant of the deal, title to the Housing Properties remains vested in the

Agency; even though the parties intended they be returned to the City if development was unsuccessful. (Exhibit “N,” pp. 1.)

The Dissolution Act defines “housing assets” as including “[a]ny real propert[ies]....that were acquired for low-and-moderate income housing purposes, either by purchase or through a loan, in whole or in part, *with any source of funds*.” Because federal HOME Program funds are restricted for affordable housing purposes, as are assets purchased with such funds, the Properties qualify as a “housing asset.”

The Successor Agency respectfully requests the Oversight Board approve the transfer of the Housing Properties to the City, such that the City may manage them in accordance with state and federal mandates. The Housing Properties serve as security for the HOME funds committed thereto, and thus have no residual value to taxing entities.

3) The Taylor Ranch Property

The Taylor Ranch Property (identified above) was included in the Plan as Property 1 and slated for transfer to the City as a “governmental purpose” property. (Exhibit “A”, pp. 5.) The Successor Agency’s plan for Taylor Ranch has not changed, but its inability to obtain a “finding of completion” has delayed this transfer. As such, the Successor Agency is requesting the Oversight Board approve the immediate transfer of Taylor Ranch to the City; as authorized by the Dissolution Act.

Title to the Taylor Ranch Property was original deeded to the City in 1972 (Exhibit “P”) and title remains vested in City (Exhibits “Q” and “R”). However, though formal title was never transferred, internal documents suggest the parcel was subsequently purchased by the Agency from the City in 1978. (Exhibit “S”).

The City has long had plans to develop the property with a Cultural Arts Center, and issued the 2009 Series A Tax Allocation Bonds in part for this purpose. (Exhibit “T” [Official Statement].) The Agency’s dissolution has stalled these efforts. Nonetheless, the northern portion of the property continues to serve as a public park, and the southern portion serves as a park-and-ride amenity associated with Montebello Bus Lines.

The Dissolution Act authorizes the transfer of “governmental purpose” properties – such as parks, libraries, etc. – to the appropriate jurisdiction. Given the current and future planned use of the property as a public park and Cultural Arts Center, the property satisfies this definition. Upon receipt of a “finding of completion,” the Successor Agency anticipates using remaining bond proceeds to complete the Cultural Arts Center.

4) Amendment to LRPMP

Should the Oversight Board approve transfer of the Housing Properties and Taylor Ranch, and assuming DOF similarly approved the transfers, there would no longer be a need for those properties to be included in the Successor Agency’s Long Range Property Management Plan. For this reason, staff has prepared a revised plan for the Oversight Board’s consideration reflecting the removal of these parcels (the “Revised Plan”). The Oversight Board’s approval of the Revised Plan would be contingent on DOF’s approval of the property transfers discussed

above. Should DOF deny any or all of the transfers, the property(ies) would be deemed included in the Revised Plan for disposition in accordance with the Original Plan.

RECOMMENDATION

It is staff's recommendation that the Oversight Board adopt the following resolutions:

- 1) A Resolution of the Montebello Oversight Board Transferring of Housing Assets from the Successor Agency to the City of Montebello as Housing Successor;
- 2) A Resolution of the Montebello Oversight Board Approving the Transfer of Governmental Purpose Property (Known as "Taylor Ranch") to the City of Montebello; and
- 3) A Resolution of the Montebello Oversight Board Approving an Amended Long Range Property Management Plan.

Exhibits:

Attachments to the OB staff report

Revised LRPMP

Resolutions

REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN

CITY OF MONTEBELLO SUCCESSOR AGENCY



Original LRPMP Prepared By:



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MAY 6, 2015

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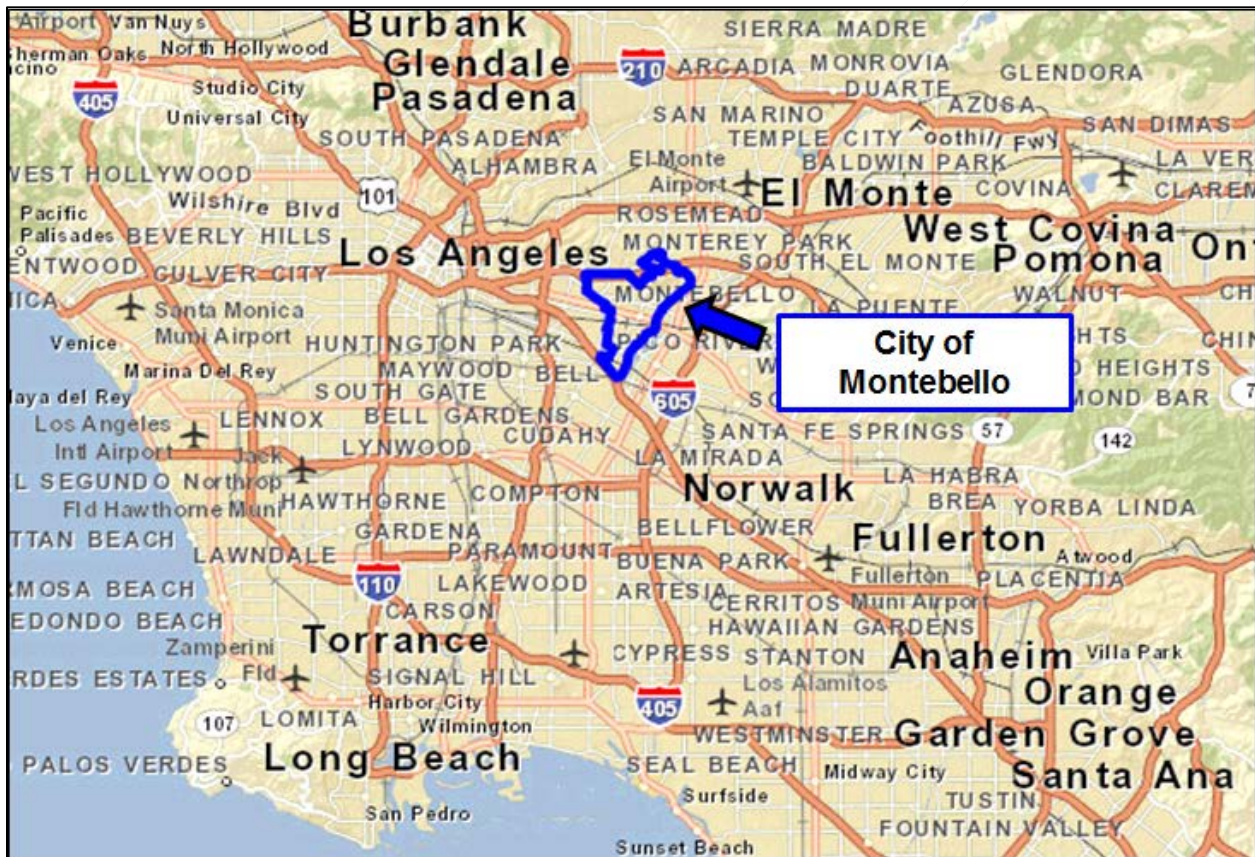
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1.0 Introduction

1.1 Background & Purpose

Health and Safety Code Section 34191.5, added by AB 1484 (signed into law on June 27, 2012), requires each Successor Agency (“SA”) to prepare and approve a Long-Range Property Management Plan (“LRPMP”) that addresses the disposition and use of the real properties of the former redevelopment agency. Properties held by a successor agency cannot be disposed of until the State Department of Finance (“DOF”) has approved the LRPMP. This document is the LRPMP for the SA to the former City of Montebello Redevelopment Agency (“RDA”).

Exhibit 1.1: City Location Map



1.2 Successor Agency Property Summary

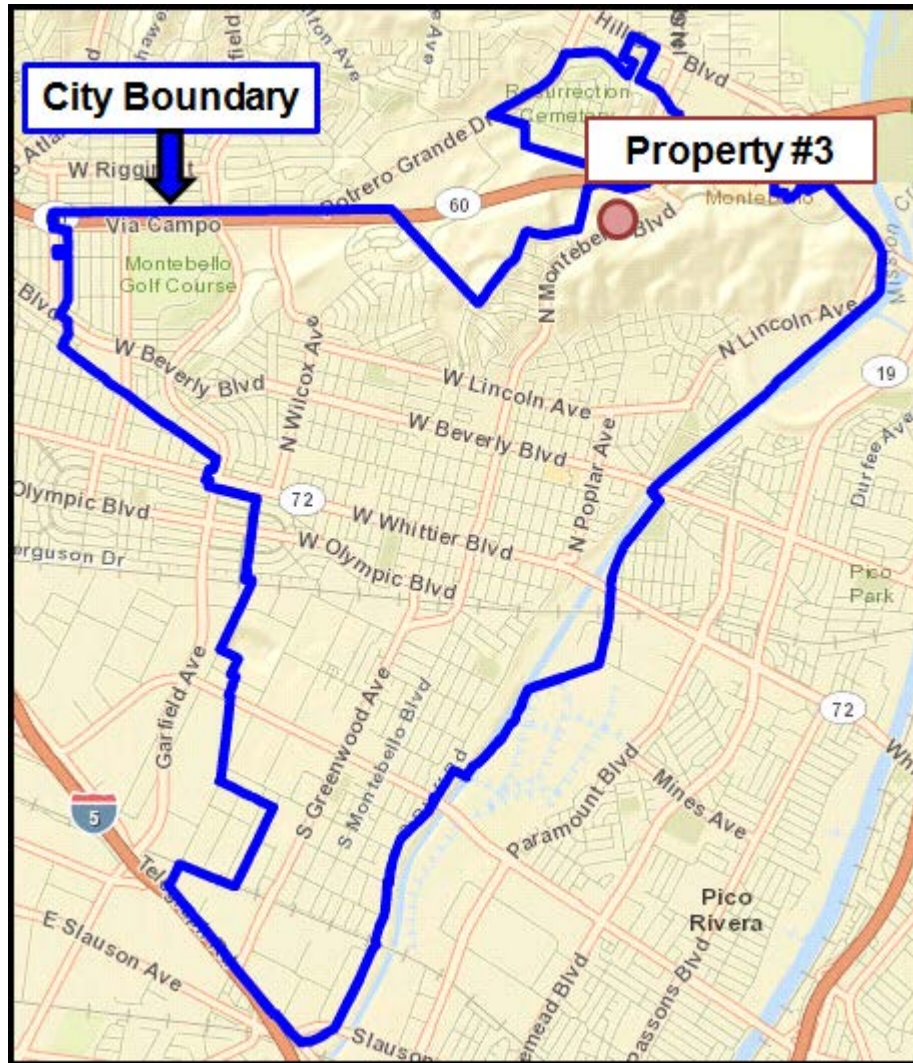
The SA / former RDA owns five (5) distinct properties (comprised of 11 parcels) in the City of Montebello. Of these properties, two (2) properties (comprised of 8 parcels) are designated for use for fulfillment of enforceable obligations. Three (3) properties (comprised of 7 parcels) are designated for liquidation, with sale proceeds to be distributed to local taxing entities based on the presiding property tax apportionment schedule.

Table 1.2: Successor Agency Property Summary

| # | Address / Description | APN | Disposition Strategy | | | |
|---|----------------------------------------------------------|--------------------------------------------------------------|----------------------|-------------|---------|-------------|
| | | | Gov't | Future Dev. | Liquid. | Enf. Oblig. |
| 1 | 1345 North Montebello Blvd. (Costco) | 5293-001-022 5293-001-023 5293-001-903 5293-001-904 | | | | X |
| 2 | 701-705 West Whittier Boulevard (Restaurant Site) | 6349-007-917 | | | X | |
| 3 | Union Street / Chapin Road | 6354-030-901 | | | X | |
| 4 | 310 West Whittier Boulevard (Chevrolet of Montebello) | 6346-022-900 6346-022-901 6346-023-900 6346-023-901 | | | | X |
| 5 | 121 South 6th Street | 6349-006-900 | | | X | |

2.0 Long-Range Property Management Plan (PMP)

Property #1: 1345 North Montebello Boulevard (Costco)



Parcel Data – Property #1

| | |
|---------------|-----------------------------------------------------------|
| Address | 1345 North Montebello Boulevard |
| APN | 5293-001-022 / 5293-001-023 / 5293-001-903 / 5293-001-904 |
| Lot Size | 16.85 acres |
| Use | 137,688 square foot Costco Retail Warehouse |
| Zoning | C-2-PD (General Commercial - Planned Development) |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #1

| | |
|----------------------------------|------------------------------------------------------------------------------|
| Purchase Date | 1989 |
| Purchase Price | Not available |
| Funding Source | Tax Increment |
| Purpose | Acquired for the purpose commercial retail development and requisite parking |
| Estimate of Current Value | \$7.1 million |
| Method of Valuation | Ground lease income capitalization |

Revenues Generated by Property & Contractual Requirements – Property #1

Ground Lease Agreement with Costco Wholesale Corporation

Ground lease revenue of approximately \$423,000 annually, comprised of original rent of \$211,000 plus supplemental rent of \$212,000 based on annual sales of over \$100,000,000 per Lease Agreement dated 1/28/93.

On 9/4/12, Costco exercised its third of four options to extend the Lease term for an additional five (5) year period commencing 5/1/13 and ending on 4/30/18. There is one remaining five (5) year option in the Lease that if exercised would expire on 4/30/23. Costco has an option to purchase the Land ("Purchase Option") at any time during the Lease.

History of Environmental Contamination or Remediation Efforts – Property #1

None

Methane gas mitigation system (CSC monitors) in place as passive remediation system. No other notable known history of environmental contamination, designation as Brownfield site, or remediation.

Transit-Oriented Development & Agency Planning Objectives – Property #1

Potential for TOD

Not applicable

Agency Planning Objectives

Future continued development on the existing property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the construction of a Costco Gas Station component on the property (page 18 of 37 of approved Implementation Plan).

Furthermore, development of the Gas Station component on the property meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households) and Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment).

It should be noted that City involvement in the development of the Gas Station component is essential for reasons of financial feasibility, per analysis performed by City in close collaboration with Costco Wholesale Corporation.

History of Development Proposals / Activities – Property #1

History

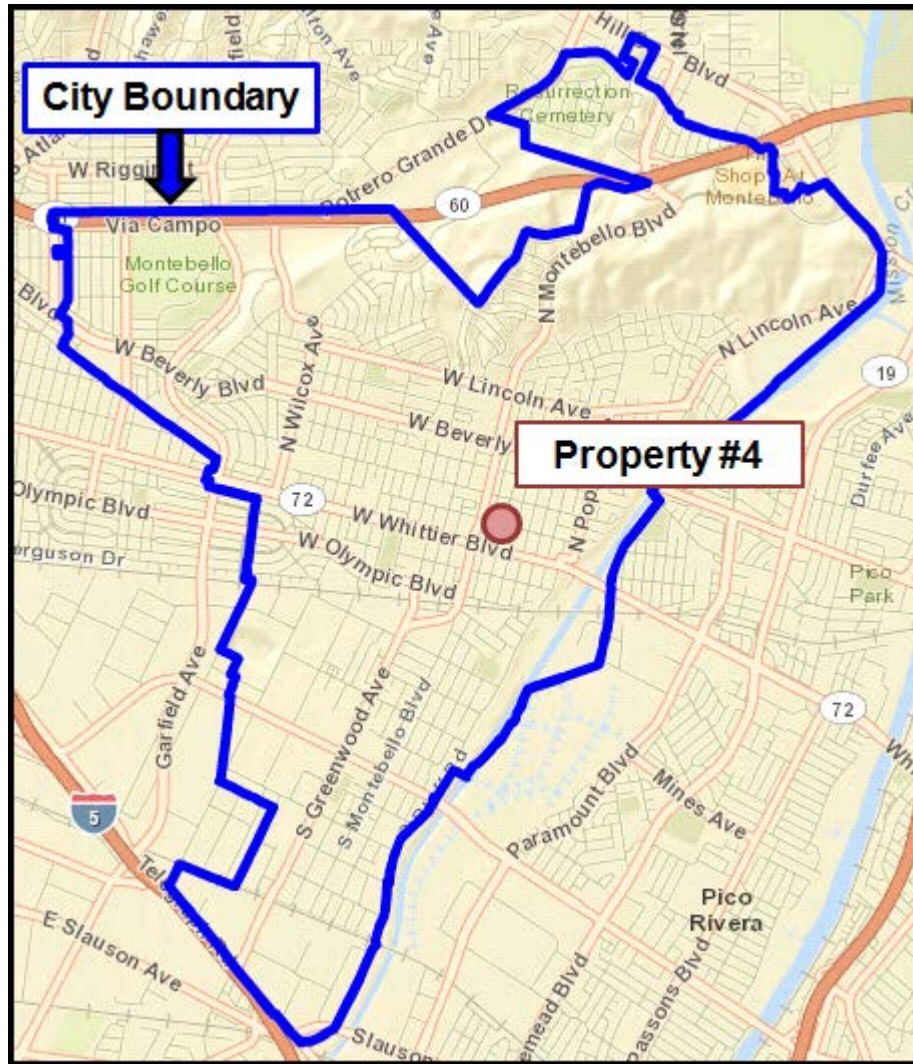
Costco developed site from 1993 to 1995, constructing a 137,688 warehouse store and requisite adjacent parking. City and Costco Wholesale Corporation have collectively undergone extensive engineering and feasibility analysis for the construction of a gas station component on the property. Negotiation and public-private transaction structuring (terms confidential) have been temporarily suspended by redevelopment dissolution, pending Department of Finance approval of a PMP addressing future use and development of the property, and assurance that Costco's present contractual interest and long-term investment efforts in the property will be recognized.

Recommendation for Disposition – Property #1

Use of the Property for Fulfillment of Enforceable Obligations

The property is recommended for use by the SA for fulfillment of an enforceable obligation as outlined in the lease agreement with Costco Wholesale Corporation dated 1/28/93 (terms include lease extension options through 4/30/23 and Purchase Option by Costco). Use of this property to fulfill the existing Costco lease agreement (inclusive of Costco's right to extend the lease and option to purchase), and future development of the property with a Gas Station component, is consistent with existing contracts burdening the property and the approved redevelopment plans noted above. To the extent that the City or SA must incur costs in order to facilitate the eventual sale of the property to the appropriate buyer consistent with approved redevelopment plans, such costs will be deducted from sale proceeds prior to distribution to taxing entities and placed on the ROPS for the appropriate time period for reimbursement as a cost of disposition (evaluated outside of the administrative cost allowance) as appropriate.

Property #2: 701-705 West Whittier Boulevard



Parcel Data – Property #2

| | |
|----------------------|-------------------------------------------------------------------------|
| Address | 701-705 West Whittier Boulevard |
| APN | 6349-007-917 |
| Lot Size | 9,750 square feet |
| Use | Vacant Restaurant Building (approx.. 4,000 square feet) |
| Zoning | C-2 (General Commercial); Economic development General Plan designation |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #2

| | |
|----------------------------------|-------------------------------|
| Purchase Date | 12/24/2008 |
| Purchase Price | \$895,000 |
| Funding Source | Tax Increment |
| Purpose | Restaurant retail development |
| Estimate of Current Value | \$615,000 |
| Method of Valuation | Comparable sales evaluation |

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Revenues Generated by Property & Contractual Requirements – Property #2

None

There are currently no revenues generated by this property, and there are no contractual requirements related to this property.

History of Environmental Contamination or Remediation Efforts – Property #2

None

Former gas station site. Phase 1 Environmental Impact Report performed. Possibility of underground tanks, however no indications of contamination were discovered.

Transit-Oriented Development & Agency Planning Objectives – Property #2

Potential for TOD

Not applicable

Future continued development on the existing property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the development of a mixed-use project with ground-level restaurant retail on the property (pages 10, 14, 15, 17, and 18 of 37 of approved Implementation Plan).

Agency Planning Objectives

Furthermore, commercial development on the property meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households), Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment), and Agency General Objective #11 (Development of vacant or under-utilized industrial land).

History of Development Proposals / Activities – Property #2

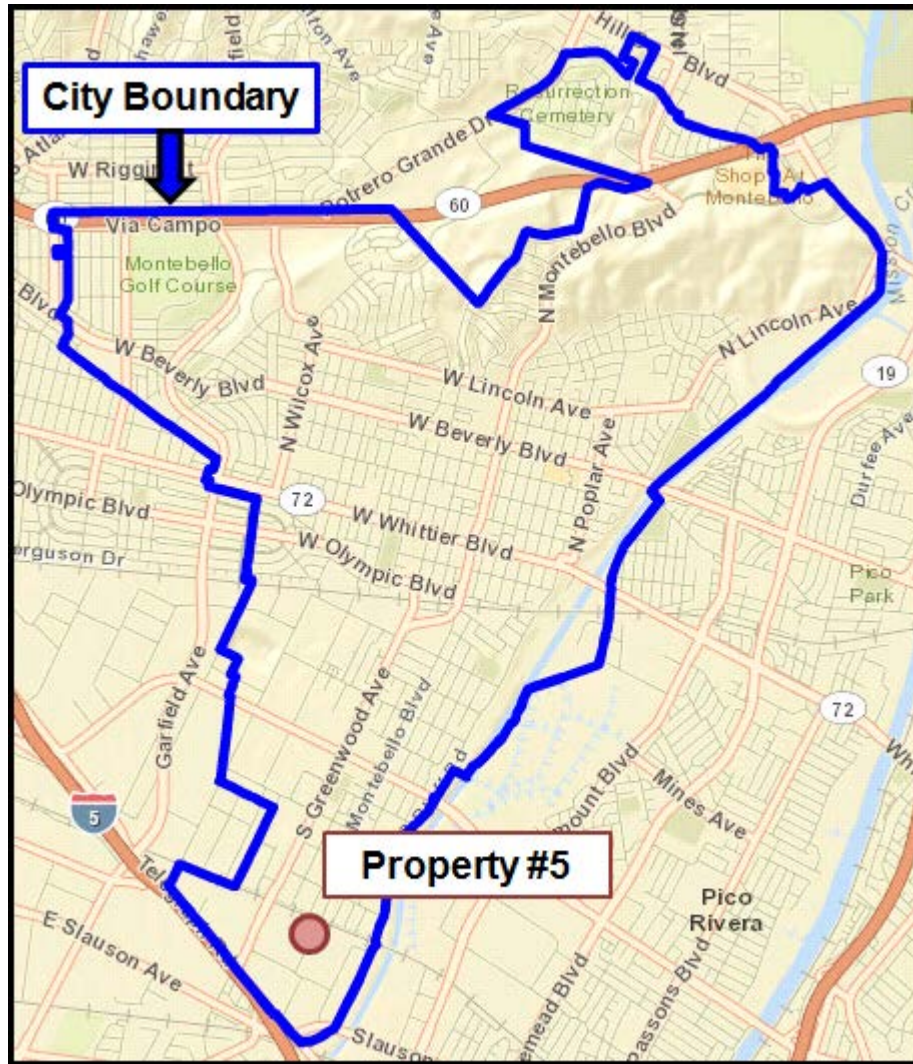
History

The City has received preliminary interest from potential restaurant retailers, however retail attraction activities were halted by redevelopment dissolution. There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition.

Recommendation for Disposition – Property #2

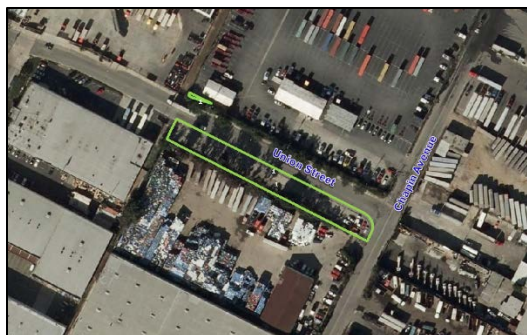
| | |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidation | Property is recommended for disposition to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies based on the presiding property tax apportionment schedule pursuant to AB 1484. Exact disposition methodology is to be determined, however auction and broker-facilitated sale are current being contemplated. |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Property #3: Union Street / Chapin Road



Parcel Data – Property #3

| | |
|----------------------|--------------------------------------------------------------------------|
| Address | Union Street / Chapin Road |
| APN | 6354-030-901 |
| Lot Size | 18,760 square feet |
| Use | Vacant Lot |
| Zoning | M-2 (Heavy Industrial); General Plan Transportation Easement designation |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #3

| | |
|----------------------------------|------------------------------------------------------|
| Purchase Date | 4/22/1975 |
| Purchase Price | Not available |
| Funding Source | Tax Increment |
| Purpose | Support of adjacent industrial warehouse development |
| Estimate of Current Value | \$0 |
| Method of Valuation | Non-revenue-generating remnant parcel |

Revenues Generated by Property & Contractual Requirements – Property #3

| | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|
| None | There are currently no revenues generated by this property, and there are no contractual requirements related to this property. |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #3

| | |
|------------------------|-----------------------------|
| Brownfield Site | Brownfield site designation |
|------------------------|-----------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #3

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential for TOD | Not applicable |
| | Future contamination cleanup on existing property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the pursuit of additional United States Department of Commerce and Economic Development Administration (“US-EPA”) Grants to implement cleanup (page 14 of 37 of approved Implementation Plan). |
| Agency Planning Objectives | Furthermore, environmental cleanup on the property meets a number of the Agency’s goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households) and Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment). |

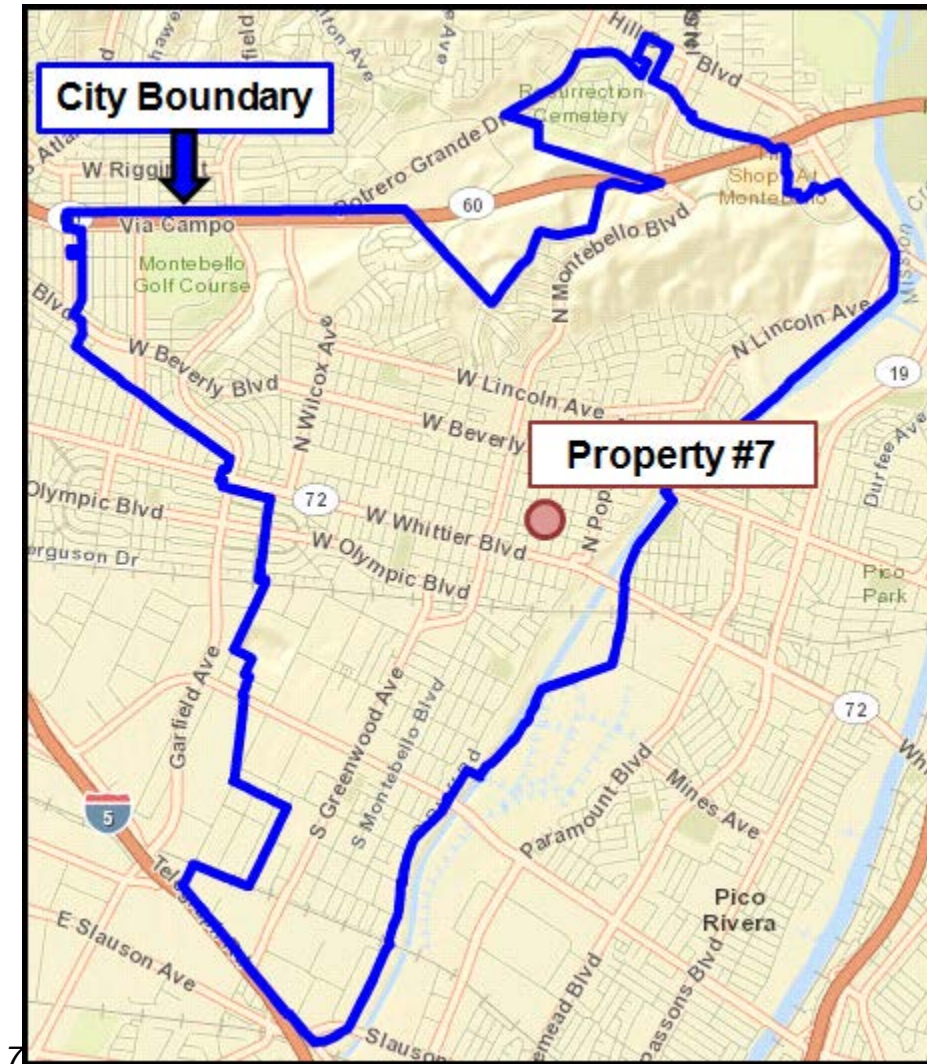
History of Development Proposals / Activities – Property #3

| | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|
| History | There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition. |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|

Recommendation for Disposition – Property #3

| | |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidation | Property is recommended for disposition to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies based on the presiding property tax apportionment schedule pursuant to AB 1484. Exact disposition methodology is to be determined, however auction and broker-facilitated sale are current being contemplated. |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Property #4: 310 W Whittier Boulevard (Chevrolet)



Parcel Data – Property #4

| | |
|----------------------|-----------------------------------------------------------|
| Address | 310 W Whittier Boulevard |
| APN | 6346-022-900 / 6346-022-901 / 6346-023-900 / 6346-023-901 |
| Lot Size | 2.70 acres |
| Use | Chevrolet of Montebello Automotive Dealership |
| Zoning | C-2 (General Commercial) |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #4

| | |
|----------------------------------|-----------------------------------|
| Purchase Date | 4/17/2009 |
| Purchase Price | \$12,000,000 |
| Funding Source | Tax increment |
| Purpose | Automotive commercial development |
| Estimate of Current Value | \$10,400,000 |
| Method of Valuation | Appraisal dated 1/21/2009 |

Revenues Generated by Property & Contractual Requirements – Property #4

| | |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lease Revenues & Enforceable Obligations | <p>Lease payment revenue of approximately \$96,000 annually, comprised of approximately \$72,000 from Arsev, Inc. (dba Chevrolet of Montebello) and approximately \$24,000 from T-Mobile USA, Inc. per Lease Agreement dated 2/18/2009.</p> <p>As part of purchase transaction in February 2009, seller financing was structured in the amount of \$4,265,165.77 due from the former RDA to A. Sevacherian. This loan continues to be included in the Recognized Obligation Payment Schedule (ROPS) as an enforceable obligation (approximately \$337,780 annually) through 1/31/30.</p> |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #4

| | |
|-------------|--------------------------------------------------------------------------------------------------|
| None | No known history of environmental contamination, designation as Brownfield site, or remediation. |
|-------------|--------------------------------------------------------------------------------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #4

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential for TOD | Not applicable |
| Agency Planning Objectives | <p>Automotive commercial use on the property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the revitalization of the Whittier Boulevard Corridor (pages 10, 14, 15, and 17 of 37 of approved Implementation Plan).</p> <p>Furthermore, commercial development on the property meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households), Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), and Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment).</p> |

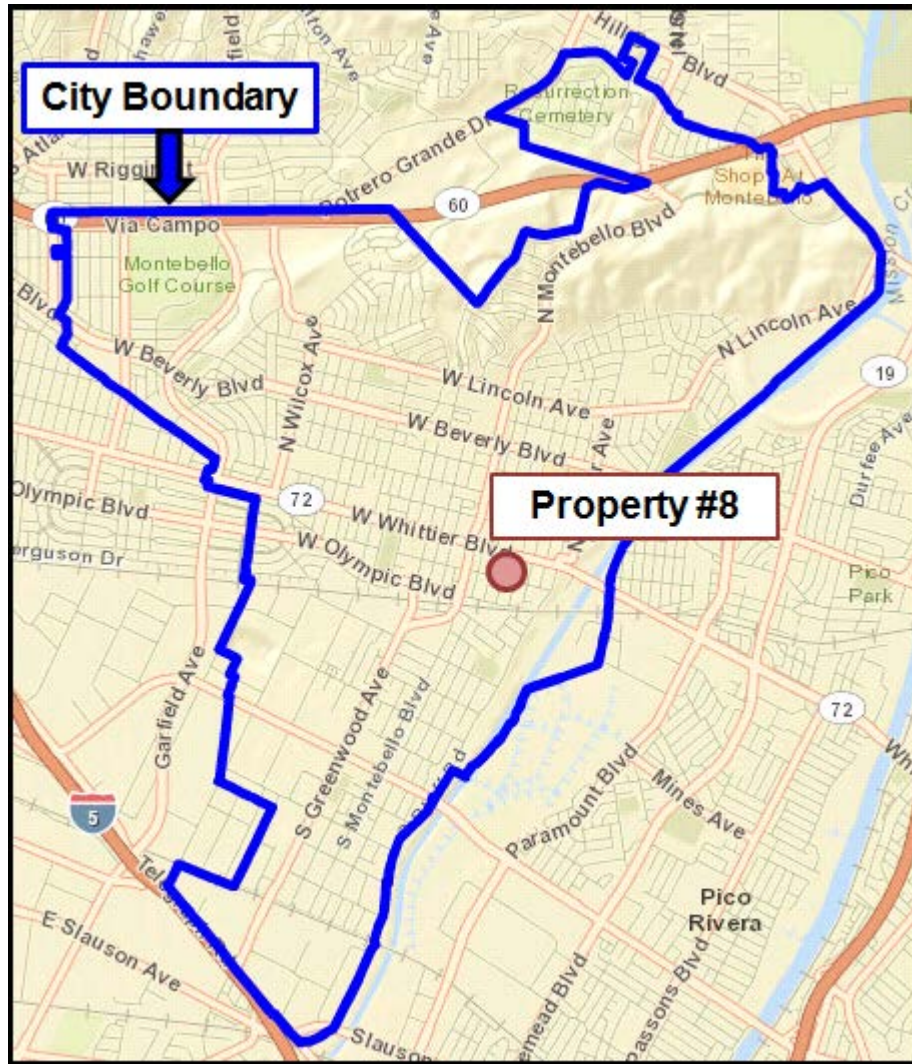
History of Development Proposals / Activities – Property #4

| | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|
| History | There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition. |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|

Recommendation for Disposition – Property #4

| | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Use of the Property for Fulfillment of Enforceable Obligations | <p>The property is recommended for use for fulfillment of enforceable obligations outlined above. Following fulfillment of the enforceable obligations (no sooner than 1/31/30), property is proposed for sale (via auction or broker-facilitated sale) with sale proceeds to be distributed to local taxing entities. To the extent that the City or SA must incur costs in order to facilitate the eventual sale of the property to the appropriate buyer consistent with approved redevelopment plans, such costs will be deducted from sale proceeds prior to distribution to taxing entities and placed on the ROPS for the appropriate time period for reimbursement as a cost of disposition (evaluated outside the administrative allowance cap) as appropriate. Use of the property as automotive commercial is consistent with the approved redevelopment plans noted above.</p> |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Property #5: 121 South 6th Street



Parcel Data – Property #5

| | |
|---------------|-------------------------------------|
| Address | 121 South 6 th Street |
| APN | 6349-006-900 |
| Lot Size | 6,050 square feet |
| Use | Vacant lot |
| Zoning | C-2 (General Commercial) |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #5

| | |
|----------------------------------|------------------------------------------------------------------------|
| Purchase Date | 11/26/08 |
| Purchase Price | \$310,000 |
| Funding Source | Tax increment |
| Purpose | Parking for other support of nearby housing and commercial development |
| Estimate of Current Value | \$135,000 |
| Method of Valuation | Comparable sales evaluation |

Revenues Generated by Property & Contractual Requirements – Property #5

| | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|
| None | There are currently no revenues generated by this property, and there are no contractual requirements related to this property. |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #5

| | |
|-------------|--------------------------------------------------------------------------------------------------|
| None | No known history of environmental contamination, designation as Brownfield site, or remediation. |
|-------------|--------------------------------------------------------------------------------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #5

Potential for TOD

Not applicable

Agency Planning Objectives

Future utilization of the property as parking or another supportive use for nearby housing and commercial development (including projects explicitly delineated within the Implementation Plan) meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households), Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), Agency General Objective #11 (development of vacant or under-utilized industrial land), and Agency General Objective #14 (increase availability of off-street parking).

History of Development Proposals / Activities – Property #5

History

Following acquisition of the property in November 2008, the Agency expended approximately \$23,000 for the demolition of the then-existing dilapidated housing improvements and for the installation of fencing around the property. Since that time, the property has been marketed to the development community along with the South Sixth Street Mixed-Use Project. Otherwise, there has been no notable development proposal activity or other activity in connection with this property since Agency acquisition.

Recommendation for Disposition – Property #5

Liquidation

Property is recommended for disposition to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies based on the presiding property tax apportionment schedule pursuant to AB 1484. Exact disposition methodology is to be determined, however auction and broker-facilitated sale are current being contemplated.

OVERSIGHT BOARD RESOLUTION NO. _____

**A RESOLUTION OF THE MONTEBELLO SUCCESSOR AGENCY OVERSIGHT
BOARD APPROVING AN AMENDED LONG RANGE PROPERTY
MANAGEMENT PLAN**

WHEREAS, the former Community Redevelopment Agency of the City of Montebello (“Agency”) was a community redevelopment agency organized and existing under the California Redevelopment Law;

WHEREAS, the Agency was dissolved effective February 1, 2012, by way of Assembly Bill (“AB”) 1x26 (as subsequently amended, the “Dissolution Act”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created a “successor agency” for each dissolved redevelopment agency, and charged them with completing various tasks and obligations geared towards “winding down” the affairs of their respective redevelopment agency;

WHEREAS, the Dissolution Act created an “oversight board” for each successor agency, and charged them with overseeing, reviewing, and approving enumerated successor agency actions;

WHEREAS, upon dissolution of the Agency, all real property assets of the former Agency were transferred to the Successor Agency for management and disposition in accordance with the Dissolution Act;

WHEREAS, the Successor Agency is required to prepare a Long Range Property Management Plan (“LRPMP”) to address the disposition and use of all real property assets of the former Agency, and to submit an Oversight Board–approved LRPMP to the Department of Finance (“DOF”) within six months of receipt of a “finding of completion” (Health & Safety Code § 34191.5);

WHEREAS, on November 12th 2014 the Oversight Board approved and adopted a initial LRPMP for the Successor Agency (“Original Plan”) in anticipation of its receipt of a “finding of completion”;

WHEREAS, in light of new information, and in consideration of the Oversight Board’s contemporaneous approval herewith this Resolution of the transfer of certain properties included in the Original Plan to the City of Montebello as either a “housing asset” or a “governmental purpose” property (the “Property Transfers”), the Successor Agency has submitted an amended LRPMP for the Oversight Board’s consideration, as such attached hereto as Exhibit “A” (the “Revised Plan”);

WHEREAS, based upon staff presentations, reports, discussions, public comments, and other evidence presented, the Oversight Board finds the changes to the Original Plan incorporated into the Revised Plan are necessary and appropriate, provided DOF does not object to the Property Transfers.

NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD HEREBY FINDS, DECLARES AND RESOLVES AS FOLLOWS:

SECTION 1. After consideration of staff presentations, reports, discussions, public comments, and other evidence presented, the Oversight Board hereby finds and declares that the foregoing recitals are true and correct and incorporated them herein.

SECTION 2. Based upon staff presentation, reports, discussions, public comments, and other evidence presented, the Oversight Board approves the Revised Plan attached as Exhibit “A”; provided that, in the event DOF denies any portion of the Property Transfers, any such properties denied for transfer to the City shall be included in the Revised Plan for disposition in the same manner as proposed in the Original Plan.

SECTION 3. The Oversight Board authorizes and directs the Executive Director of the Successor Agency, or their authorized designee, to submit the Revised Plan to the Department of Finance for review, and to take such further necessary action(s) as reasonably necessary to effectuate the purpose of this Resolution and Revised Plan.

SECTION 4. The Clerk of the Oversight Board shall certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED and ADOPTED this 6th day of May, 2015.

Ernesto Hidalgo,
Vice Chairperson

ATTEST:

Secretary to the Montebello Oversight Board

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City of Montebello Oversight Board meeting held on the 6th day of May, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

EXHIBIT A

LONG-RANGE PROPERTY MANAGEMENT PLAN

CITY OF MONTEBELLO SUCCESSOR AGENCY



Prepared By:



KOSMONT REALTY CORPORATION

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www.kosmontrealty.com

NOVEMBER 5, 2014

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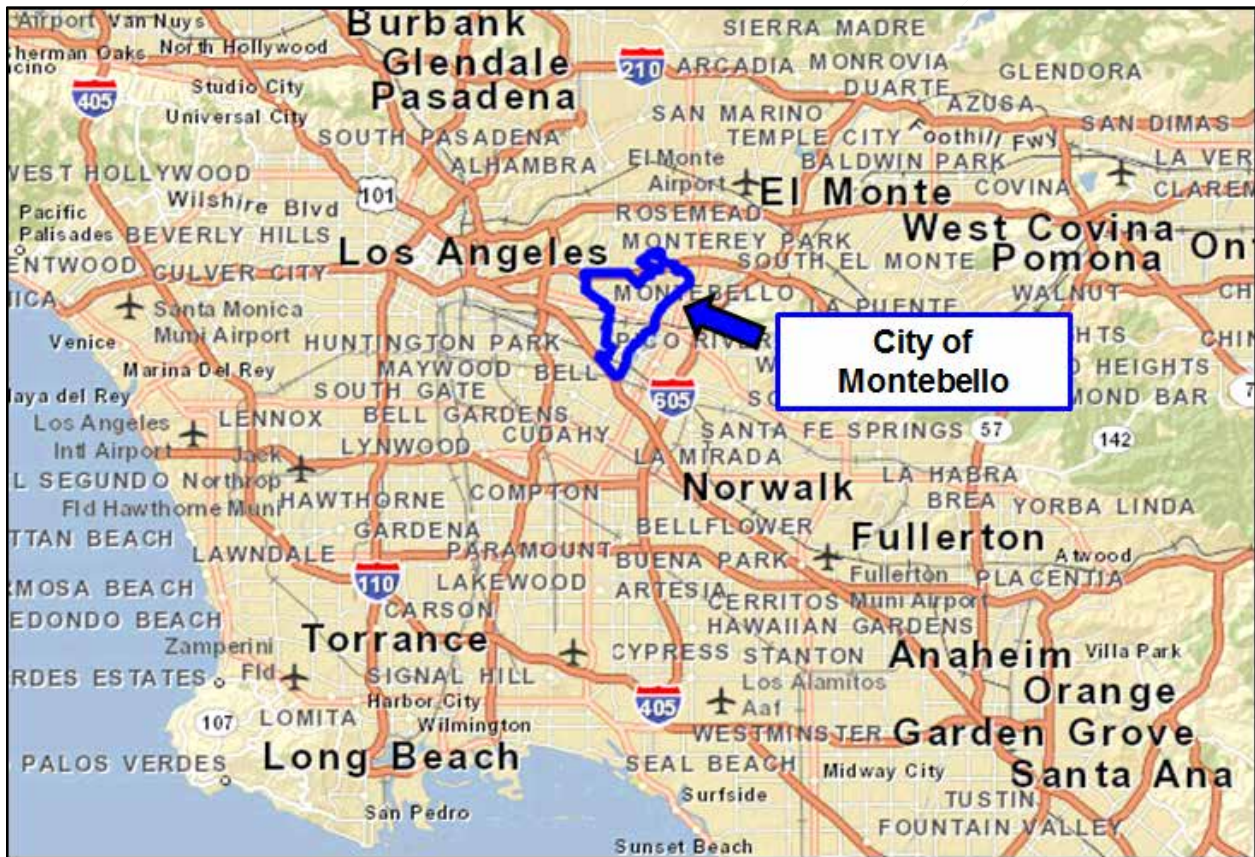
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1.0 Introduction

1.1 Background & Purpose

Health and Safety Code Section 34191.5, added by AB 1484 (signed into law on June 27, 2012), requires each Successor Agency (“SA”) to prepare and approve a Long-Range Property Management Plan (“LRPMP”) that addresses the disposition and use of the real properties of the former redevelopment agency. Properties held by a successor agency cannot be disposed of until the State Department of Finance (“DOF”) has approved the LRPMP. This document is the LRPMP for the SA to the former City of Montebello Redevelopment Agency (“RDA”).

Exhibit 1.1: City Location Map



1.2 Successor Agency Property Summary

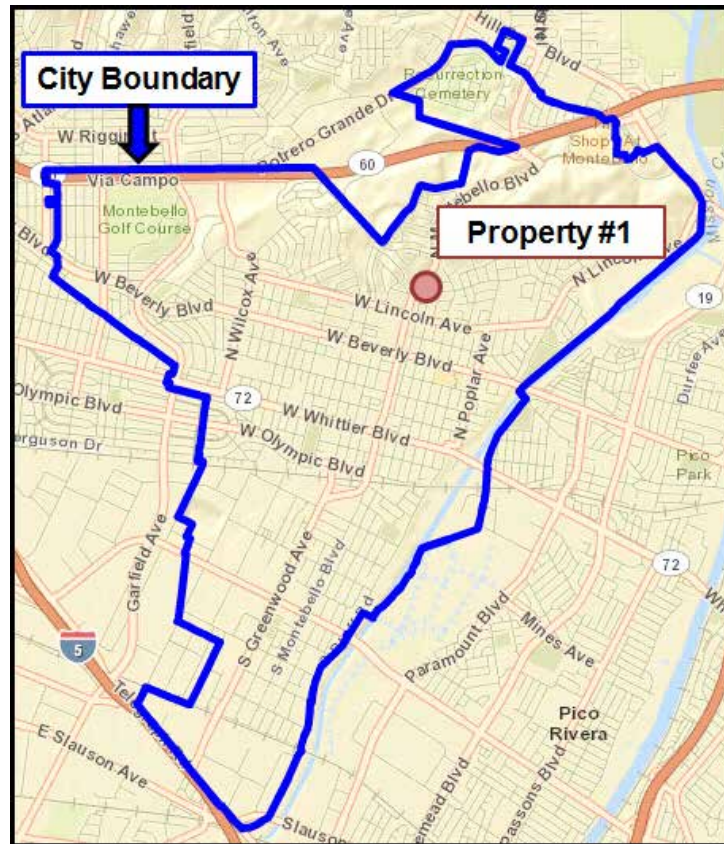
The SA / former RDA owns eight (8) distinct properties (comprised of 17 parcels) in the City of Montebello. Of these properties, two (2) properties (comprised of 2 parcels) are governmental use properties that are proposed to be transferred to the City with no consideration to continue exclusive and continued governmental use. Two (2) properties (comprised of 8 parcels) are designated for use for fulfillment of enforceable obligations. Four (4) properties (comprised of 7 parcels) are designated for liquidation, with sale proceeds to be distributed to local taxing entities based on the presiding property tax apportionment schedule.

Table 1.2: Successor Agency Property Summary

| # | Address / Description | APN | Disposition Strategy | | | |
|---|-----------------------------------------------------------------------|--------------------------------------------------------------|----------------------|-------------|---------|-------------|
| | | | Gov't | Future Dev. | Liquid. | Enf. Oblig. |
| 1 | 737 North Montebello Boulevard (Taylor Ranch Cultural Arts Center) | 5293-013-901 | X | | | |
| 2 | North Montebello Boulevard (City Tower) | 5293-001-900 | X | | | |
| 3 | 1345 North Montebello Blvd. (Costco) | 5293-001-022 5293-001-023 5293-001-903 5293-001-904 | | | | X |
| 4 | 701-705 West Whittier Boulevard (Restaurant Site) | 6349-007-917 | | | X | |
| 5 | Union Street / Chapin Road | 6354-030-901 | | | X | |
| 6 | 112-124 South 6th Street | 6349-005-901 6349-005-900 6349-005-902 6349-005-006 | | | X | |
| 7 | 310 West Whittier Boulevard (Chevrolet of Montebello) | 6346-022-900 6346-022-901 6346-023-900 6346-023-901 | | | | X |
| 8 | 121 South 6th Street | 6349-006-900 | | | X | |

2.0 Long-Range Property Management Plan (PMP)

Property #1: 737 North Montebello Boulevard (Taylor Ranch Cultural Arts Center)



| Parcel Data – Property #1 | |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Address | 737 North Montebello Boulevard |
| APN | 5293-013-901 |
| Lot Size | 3.6 Acres |
| Use | Taylor Ranch Public Park, Parking for Public Park, and Park-and-Ride Transit Parking (Cultural Arts Center improvements in progress with allowable RDA bond proceeds at time of RDA dissolution) |
| Zoning | R-1 (Single Family Residential); Public Park / Park and Ride General Plan Designation |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #1

| | |
|----------------------------------|----------------------------------------------------------------------------------|
| Acquisition Date | 4/20/1972 (gifted to City) |
| Purchase Price | N/A (gifted to City then transferred to former RDA) |
| Funding Source | N/A (gifted to City then transferred to former RDA) |
| Purpose | Development of a park / open space and continuation of community center services |
| Estimate of Current Value | \$0 |
| Method of Valuation | Non-revenue-generating public amenity |

Revenues Generated by Property & Contractual Requirements – Property #1

| | |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No Revenues Generated, Bond Issue Outstanding | There are currently no revenues generated by this property. Approximately \$4.67 million remains from 2009 \$10.5 million bond issue for redevelopment of former community center on site. Plans were selected and bid in 2008 for 8,000-10,000 SF Community Center Redevelopment Project with kitchen facilities, but halted due to redevelopment dissolution. |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #1

| | |
|-------------|--------------------------------------------------------------------------------------------------|
| None | No known history of environmental contamination, designation as Brownfield site, or remediation. |
|-------------|--------------------------------------------------------------------------------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #1

Potential for TOD Not applicable

Agency Planning Objectives

Continued utilization of the property as a park and park-and-ride public amenity and the future redevelopment of the community center component is consistent with City General Plan designation and meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), Agency General Objective #14 (increase availability of off-street parking.), and Agency General Objective #15 (providing, improving, and replacing, if necessary, public facilities and improvements).

History of Development Proposals / Activities – Property #1

History

Taylor Ranch is a historic property dating back to 1885 used for various community activities and /events. The property was originally gifted to the City for community use, and the City subsequently transferred the property to the former Redevelopment Agency for development (no money changed hands between the City and the former Redevelopment Agency).

Plans were development and a request for development proposals was bid for the redevelopment of a 8,000-10,000 square foot Community Center with kitchen facilities. \$10.5 million in bonds were issued by the former Agency in 2009 to finance Project construction. Of the approximately \$9 million in net proceeds in the Project Fund, approximately \$4.33 million was spent and approximately \$4.67 million remains.

Approximately \$1.6 million was spent on Hillside street improvements, approximately \$1.1 million was spend on property renovation (including grading and oil well remediation), approximately \$920,000 was spent on Whittier Boulevard street improvements, and approximately \$740,000 was spent on the City's Portable Radio Project.

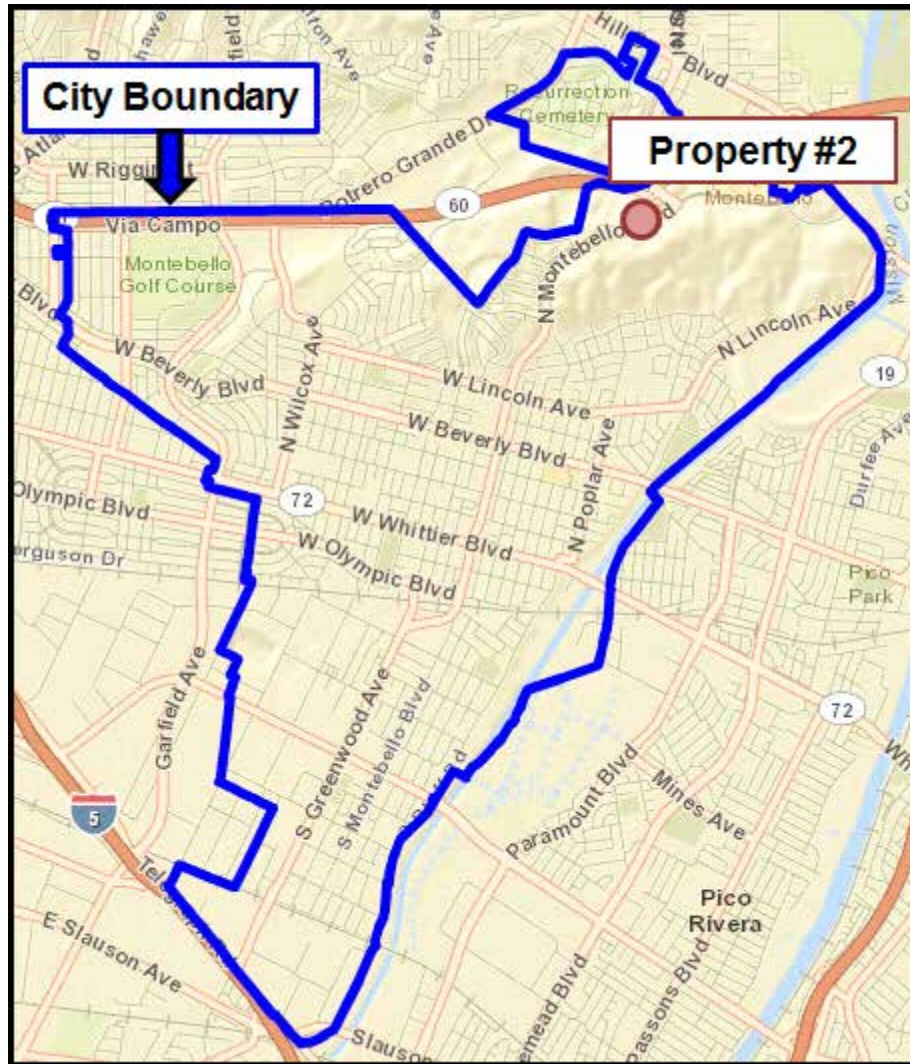
The northern approximately one-third of the property is currently in use as public park space. The southern approximately one-third of Property in use as a park-and-ride lot. The middle approximately one-third remains partially undeveloped, pending PMP approval for continued government use and further Cultural Arts Center improvements.

Recommendation for Disposition – Property #1

Transfer to City for Continued Government Use

Transfer of the property to the City with no consideration for government use is consistent with the goals in the approved 2010-2014 City of Montebello Redevelopment Agency Implementation Plan. Health and Safety Code Section 34181(a) allows for the City to retain title to property constructed and used for governmental purpose such as roads, school buildings, **parks**, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. With DOF approval for continued government use, City will continue community center redevelopment activities on middle approximately one-third portion of the property.

Property #2: North Montebello Boulevard (City Tower)



Parcel Data – Property #2

| | |
|----------------------|----------------------------------------------------------------------------------------------------|
| Address | North Montebello Boulevard |
| APN | 5293-001-800 (previously 5293-001-900) |
| Lot Size | 2.1 Acres |
| Use | City Public Safety Communications Tower and Underground Water Reservoir (exclusive government use) |
| Zoning | C-2-PD (General Commercial – Planned Development) |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #2

| | |
|----------------------------------|-------------------------------------------------|
| Purchase Date | 5/16/1984 |
| Purchase Price | Not available |
| Funding Source | Tax Increment |
| Purpose | Placement of public safety communications tower |
| Estimate of Current Value | \$0 |
| Method of Valuation | Non-revenue-generating public amenity |

Revenues Generated by Property & Contractual Requirements – Property #2

| | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|
| None | There are currently no revenues generated by this property, and there are no contractual requirements related to this property. |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #2

| | |
|-------------|--------------------------------------------------------------------------------------------------|
| None | No known history of environmental contamination, designation as Brownfield site, or remediation. |
|-------------|--------------------------------------------------------------------------------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #2

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential for TOD | Not applicable |
| Agency Planning Objectives | Continued utilization of the property for a public safety communications tower meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency General Objective #15 (providing, improving, and replacing, if necessary, public facilities and improvements). |

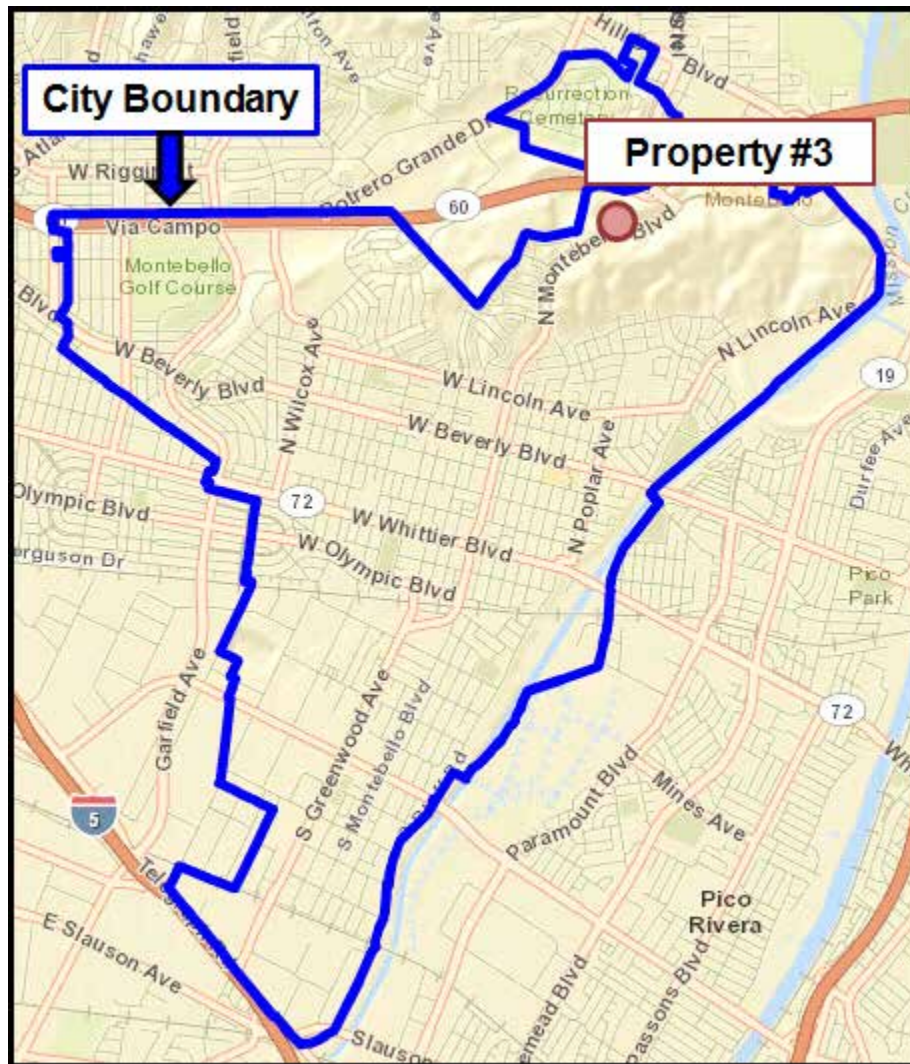
History of Development Proposals / Activities – Property #2

| | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|
| History | There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition. |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|

Recommendation for Disposition – Property #2

| | |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transfer to City for Continued Government Use | Transfer of the property to the City with no consideration for government use is consistent with the goals in the approved 2010-2014 City of Montebello Redevelopment Agency Implementation Plan. Health and Safety Code Section 34181(a) allows for the City to retain title to property constructed and used for governmental purpose such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Property #3: 1345 North Montebello Boulevard (Costco)



| Parcel Data – Property #3 | |
|---------------------------|-----------------------------------------------------------|
| Address | 1345 North Montebello Boulevard |
| APN | 5293-001-022 / 5293-001-023 / 5293-001-903 / 5293-001-904 |
| Lot Size | 16.85 acres |
| Use | 137,688 square foot Costco Retail Warehouse |
| Zoning | C-2-PD (General Commercial - Planned Development) |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #3

| | |
|----------------------------------|------------------------------------------------------------------------------|
| Purchase Date | 1989 |
| Purchase Price | Not available |
| Funding Source | Tax Increment |
| Purpose | Acquired for the purpose commercial retail development and requisite parking |
| Estimate of Current Value | \$7.1 million |
| Method of Valuation | Ground lease income capitalization |

Revenues Generated by Property & Contractual Requirements – Property #3

| | |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ground Lease Agreement with Costco Wholesale Corporation | <p>Ground lease revenue of approximately \$423,000 annually, comprised of original rent of \$211,000 plus supplemental rent of \$212,000 based on annual sales of over \$100,000,000 per Lease Agreement dated 1/28/93.</p> <p>On 9/4/12, Costco exercised its third of four options to extend the Lease term for an additional five (5) year period commencing 5/1/13 and ending on 4/30/18. There is one remaining five (5) year option in the Lease that if exercised would expire on 4/30/23. Costco has an option to purchase the Land ("Purchase Option") at any time during the Lease.</p> |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #3

None

Methane gas mitigation system (CSC monitors) in place as passive remediation system. No other notable known history of environmental contamination, designation as Brownfield site, or remediation.

Transit-Oriented Development & Agency Planning Objectives – Property #3

Potential for TOD

Not applicable

Future continued development on the existing property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the construction of a Costco Gas Station component on the property (page 18 of 37 of approved Implementation Plan).

Agency Planning Objectives

Furthermore, development of the Gas Station component on the property meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households) and Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment).

It should be noted that City involvement in the development of the Gas Station component is essential for reasons of financial feasibility, per analysis performed by City in close collaboration with Costco Wholesale Corporation.

History of Development Proposals / Activities – Property #3

History

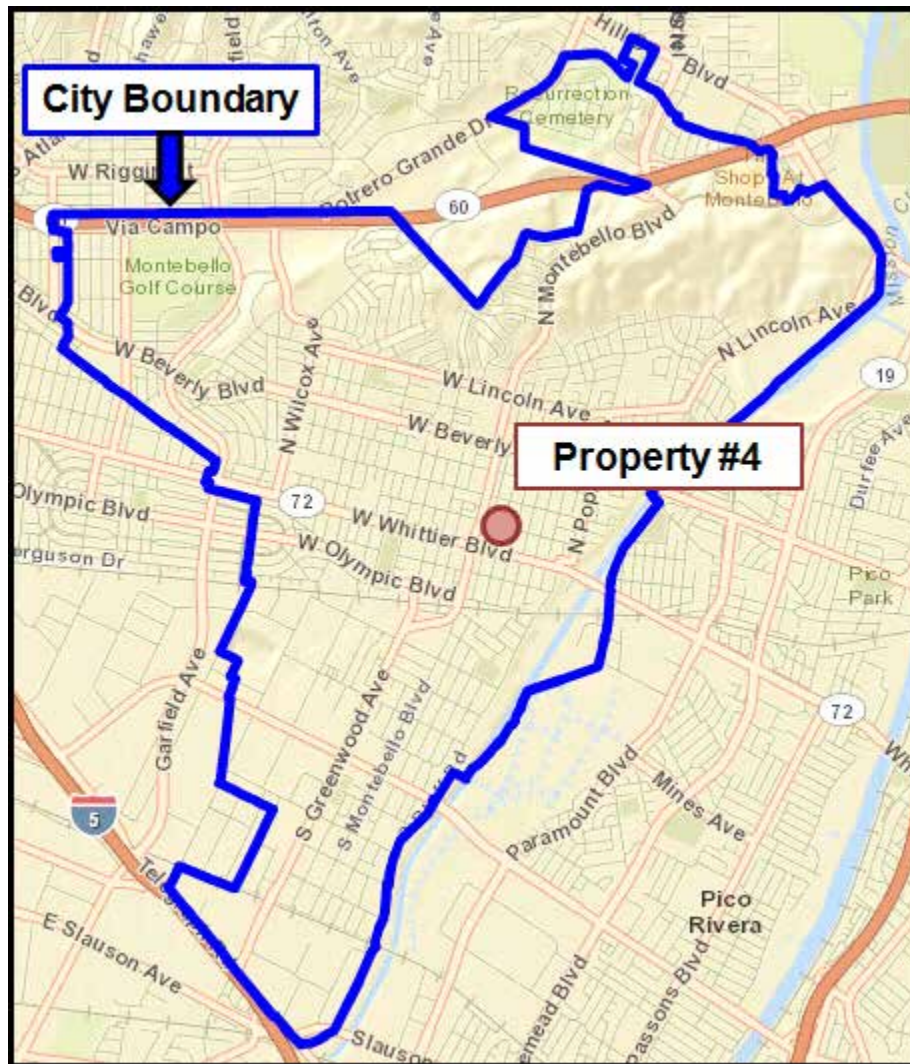
Costco developed site from 1993 to 1995, constructing a 137,688 warehouse store and requisite adjacent parking. City and Costco Wholesale Corporation have collectively undergone extensive engineering and feasibility analysis for the construction of a gas station component on the property. Negotiation and public-private transaction structuring (terms confidential) have been temporarily suspended by redevelopment dissolution, pending Department of Finance approval of a PMP addressing future use and development of the property, and assurance that Costco's present contractual interest and long-term investment efforts in the property will be recognized.

Recommendation for Disposition – Property #3

**Use of the
Property for
Fulfillment
of
Enforceable
Obligations**

The property is recommended for use by the SA for fulfillment of an enforceable obligation as outlined in the lease agreement with Costco Wholesale Corporation dated 1/28/93 (terms include lease extension options through 4/30/23 and Purchase Option by Costco). Use of this property to fulfill the existing Costco lease agreement (inclusive of Costco's right to extend the lease and option to purchase), and future development of the property with a Gas Station component, is consistent with existing contracts burdening the property and the approved redevelopment plans noted above. To the extent that that the City or SA must incur costs in order to facilitate the eventual sale of the property to the appropriate buyer consistent with approved redevelopment plans, such costs will be deducted from sale proceeds prior to distribution to taxing entities and placed on the ROPS for the appropriate time period for reimbursement as a cost of disposition (evaluated outside of the administrative allowance cap) as appropriate.

Property #4: 701-705 West Whittier Boulevard



Parcel Data – Property #4

| | |
|----------------------|-------------------------------------------------------------------------|
| Address | 701-705 West Whittier Boulevard |
| APN | 6349-007-917 |
| Lot Size | 9,750 square feet |
| Use | Vacant Restaurant Building (approx.. 4,000 square feet) |
| Zoning | C-2 (General Commercial); Economic development General Plan designation |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #4

| | |
|----------------------------------|-------------------------------|
| Purchase Date | 12/24/2008 |
| Purchase Price | \$895,000 |
| Funding Source | Tax Increment |
| Purpose | Restaurant retail development |
| Estimate of Current Value | \$615,000 |
| Method of Valuation | Comparable sales evaluation |

KOSMONT REALTY CORPORATION

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Revenues Generated by Property & Contractual Requirements – Property #4

| | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|
| None | There are currently no revenues generated by this property, and there are no contractual requirements related to this property. |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #4

| | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| None | Former gas station site. Phase 1 Environmental Impact Report performed. Possibility of underground tanks, however no indications of contamination were discovered. |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #4

| | |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential for TOD | Not applicable Future continued development on the existing property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the development of a mixed-use project with ground-level restaurant retail on the property (pages 10, 14, 15, 17, and 18 of 37 of approved Implementation Plan). |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Agency Planning Objectives

Furthermore, commercial development on the property meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households), Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment), and Agency General Objective #11 (Development of vacant or under-utilized industrial land).

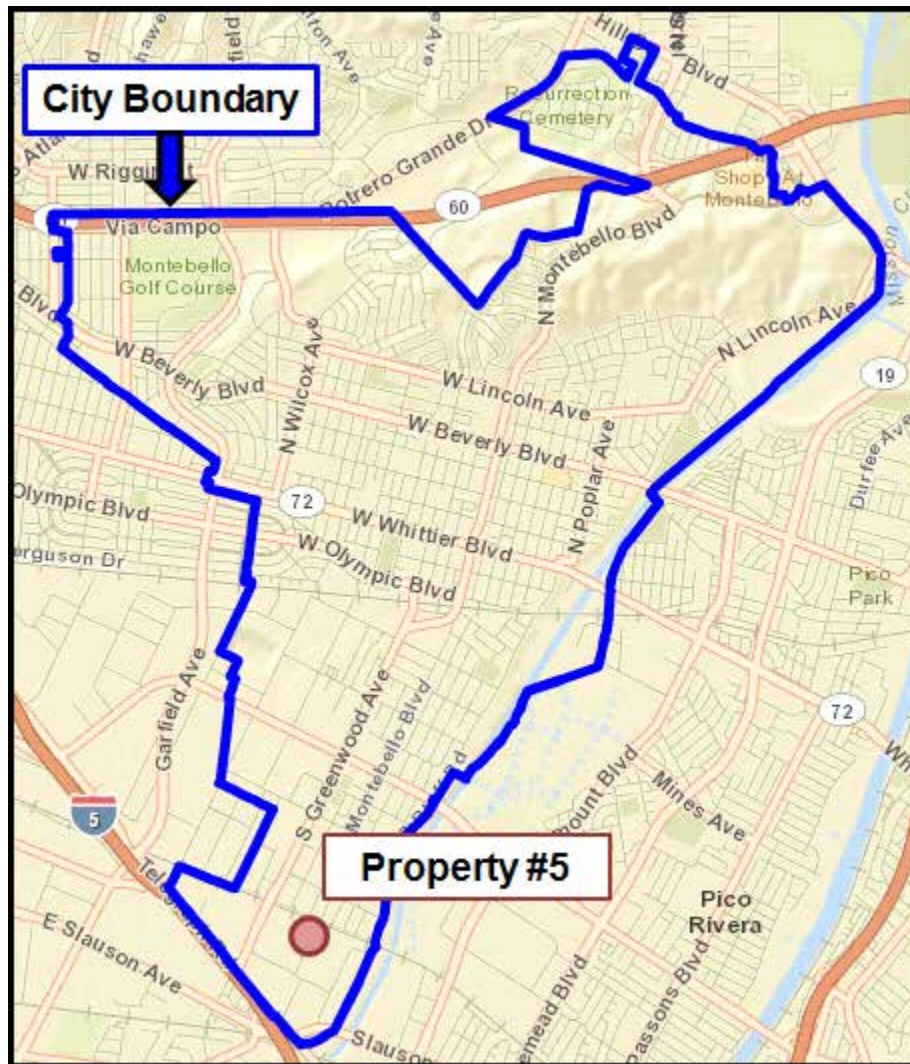
History of Development Proposals / Activities – Property #4

| | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| History | The City has received preliminary interest from potential restaurant retailers, however retail attraction activities were halted by redevelopment dissolution. There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition. |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Recommendation for Disposition – Property #4

| | |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidation | Property is recommended for disposition to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies based on the presiding property tax apportionment schedule pursuant to AB 1484. Exact disposition methodology is to be determined, however auction and broker-facilitated sale are currently being contemplated. |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Property #5: Union Street / Chapin Road



Parcel Data – Property #5

| | |
|----------------------|--------------------------------------------------------------------------|
| Address | Union Street / Chapin Road |
| APN | 6354-030-901 |
| Lot Size | 18,760 square feet |
| Use | Vacant Lot |
| Zoning | M-2 (Heavy Industrial); General Plan Transportation Easement designation |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #5

| | |
|----------------------------------|------------------------------------------------------|
| Purchase Date | 4/22/1975 |
| Purchase Price | Not available |
| Funding Source | Tax Increment |
| Purpose | Support of adjacent industrial warehouse development |
| Estimate of Current Value | \$0 |
| Method of Valuation | Non-revenue-generating remnant parcel |

Revenues Generated by Property & Contractual Requirements – Property #5

| | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|
| None | There are currently no revenues generated by this property, and there are no contractual requirements related to this property. |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #5

| | |
|------------------------|-----------------------------|
| Brownfield Site | Brownfield site designation |
|------------------------|-----------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #5

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential for TOD | Not applicable |
| | Future contamination cleanup on existing property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the pursuit of additional United States Department of Commerce and Economic Development Administration (“US-EPA”) Grants to implement cleanup (page 14 of 37 of approved Implementation Plan). |
| Agency Planning Objectives | Furthermore, environmental cleanup on the property meets a number of the Agency’s goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households) and Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment). |

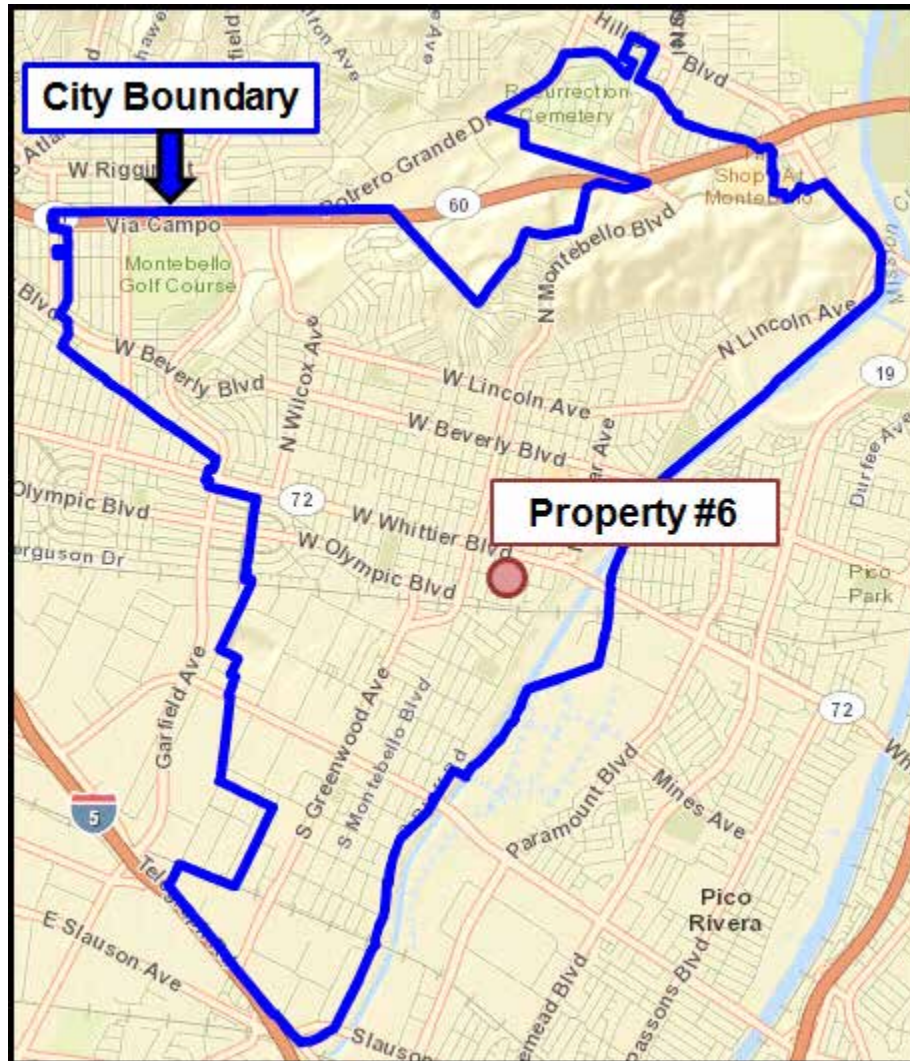
History of Development Proposals / Activities – Property #5

| | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|
| History | There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition. |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|

Recommendation for Disposition – Property #5

| | |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidation | Property is recommended for disposition to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies based on the presiding property tax apportionment schedule pursuant to AB 1484. Exact disposition methodology is to be determined, however auction and broker-facilitated sale are currently being contemplated. |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Property #6: 112-124 South 6th Street
(South Sixth Street Mixed-Use Project)**



Parcel Data – Property #6

| | |
|----------------------|-----------------------------------------------------------|
| Address | 112 / 114 / 124 South 6th Street |
| APN | 6349-005-901 / 6349-005-900 / 6349-005-902 |
| Lot Size | Approximately 22,000 square feet |
| Use | Vacant lots |
| Zoning | C-2 (General Commercial) & R-3 (Multi-Family Residential) |
| Current Title | City of Montebello Successor Agency |



| Acquisition & Valuation Information – Property #6 | |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acquisition Date | 112 / 114 South 6 th Street – July 1989 (by City) 124 South 6 th Street – 1/17/2008 (by City) (Transferred to former Redevelopment Agency for no consideration) |
| Acquisition Price | 112 / 114 South 6 th Street – \$268,000 (by City) 124 South 6 th Street – \$125,000 (by City) (Transferred to former Redevelopment Agency for no consideration) |
| Funding Source | City General Fund |
| Purpose | Development of a mixed-use project |
| Estimate of Current Value | \$500,000 |
| Method of Valuation | Comparable sales evaluation |

Revenues Generated by Property & Contractual Requirements – Property #6

None

There are currently no revenues generated by this property, and there are no contractual requirements related to this property.

History of Environmental Contamination or Remediation Efforts – Property #6

None

No known history of environmental contamination, designation as Brownfield site, or remediation.

Transit-Oriented Development & Agency Planning Objectives – Property #6

Potential for TOD

Not applicable

Future development of the South Street Mixed Use Project on the property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the development of commercial uses on the ground floor with housing on upper levels (page 18 of 37 of approved Implementation Plan).

Agency Planning Objectives

Development of the property as a mixed-use development meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households), Universal Objective #7 (consolidate underutilized properties and initiate street improvement projects within the downtown portion of the MERP along the Whittier Boulevard Corridor), Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment), and Agency General Objective #11 (Development of vacant or under-utilized industrial land).

History of Development Proposals / Activities – Property #6

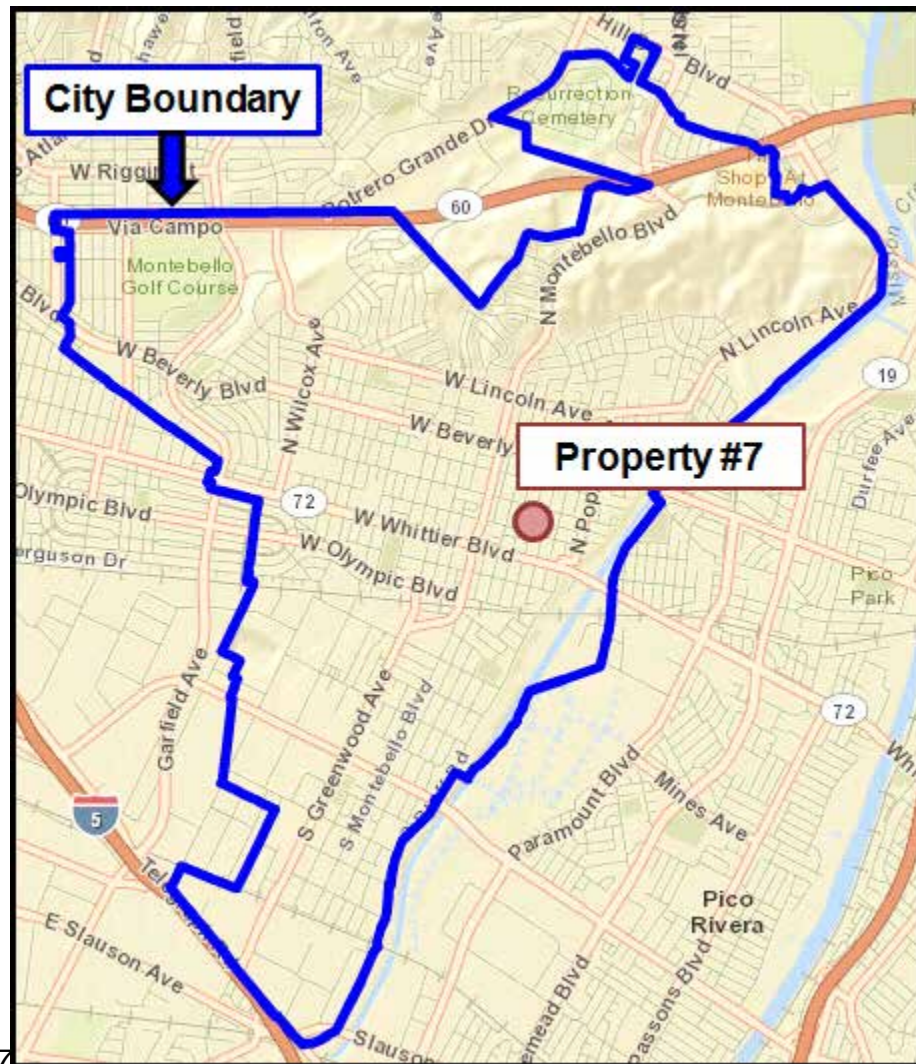
History

This property was originally owned by the City before being transferred with no consideration to the former Development Agency for future development. The City has received interest in development of this site, and the matter has appeared on the City Council closed session agenda.

Recommendation for Disposition – Property #6

| | |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquidation | Property is recommended for disposition to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies based on the presiding property tax apportionment schedule pursuant to AB 1484. Exact disposition methodology is to be determined, however auction and broker-facilitated sale are currently being contemplated. |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Property #7: 310 W Whittier Boulevard (Chevrolet)



Parcel Data – Property #7

| | |
|----------------------|-----------------------------------------------------------|
| Address | 310 W Whittier Boulevard |
| APN | 6346-022-900 / 6346-022-901 / 6346-023-900 / 6346-023-901 |
| Lot Size | 2.70 acres |
| Use | Chevrolet of Montebello Automotive Dealership |
| Zoning | C-2 (General Commercial) |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #7

| | |
|----------------------------------|-----------------------------------|
| Purchase Date | 4/17/2009 |
| Purchase Price | \$12,000,000 |
| Funding Source | Tax increment |
| Purpose | Automotive commercial development |
| Estimate of Current Value | \$10,400,000 |
| Method of Valuation | Appraisal dated 1/21/2009 |

Revenues Generated by Property & Contractual Requirements – Property #7

| | |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lease Revenues & Enforceable Obligations | <p>Lease payment revenue of approximately \$96,000 annually, comprised of approximately \$72,000 from Arsev, Inc. (dba Chevrolet of Montebello) and approximately \$24,000 from T-Mobile USA, Inc. per Lease Agreement dated 2/18/2009.</p> <p>As part of purchase transaction in February 2009, seller financing was structured in the amount of \$4,265,165.77 due from the former RDA to A. Sevacherian. This loan continues to be included in the Recognized Obligation Payment Schedule (ROPS) as an enforceable obligation (approximately \$337,780 annually) through 1/31/30.</p> |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #7

| | |
|-------------|--------------------------------------------------------------------------------------------------|
| None | No known history of environmental contamination, designation as Brownfield site, or remediation. |
|-------------|--------------------------------------------------------------------------------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #7

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Potential for TOD | Not applicable |
| Agency Planning Objectives | <p>Automotive commercial use on the property is consistent with redevelopment activities explicitly outlined the adopted 2010-2014 Five-Year Implementation Plan, including the revitalization of the Whittier Boulevard Corridor (pages 10, 14, 15, and 17 of 37 of approved Implementation Plan).</p> <p>Furthermore, commercial development on the property meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households), Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), and Agency General Objective #10 (encouragement of private commercial/industrial rehabilitation, development, and capital investment).</p> |

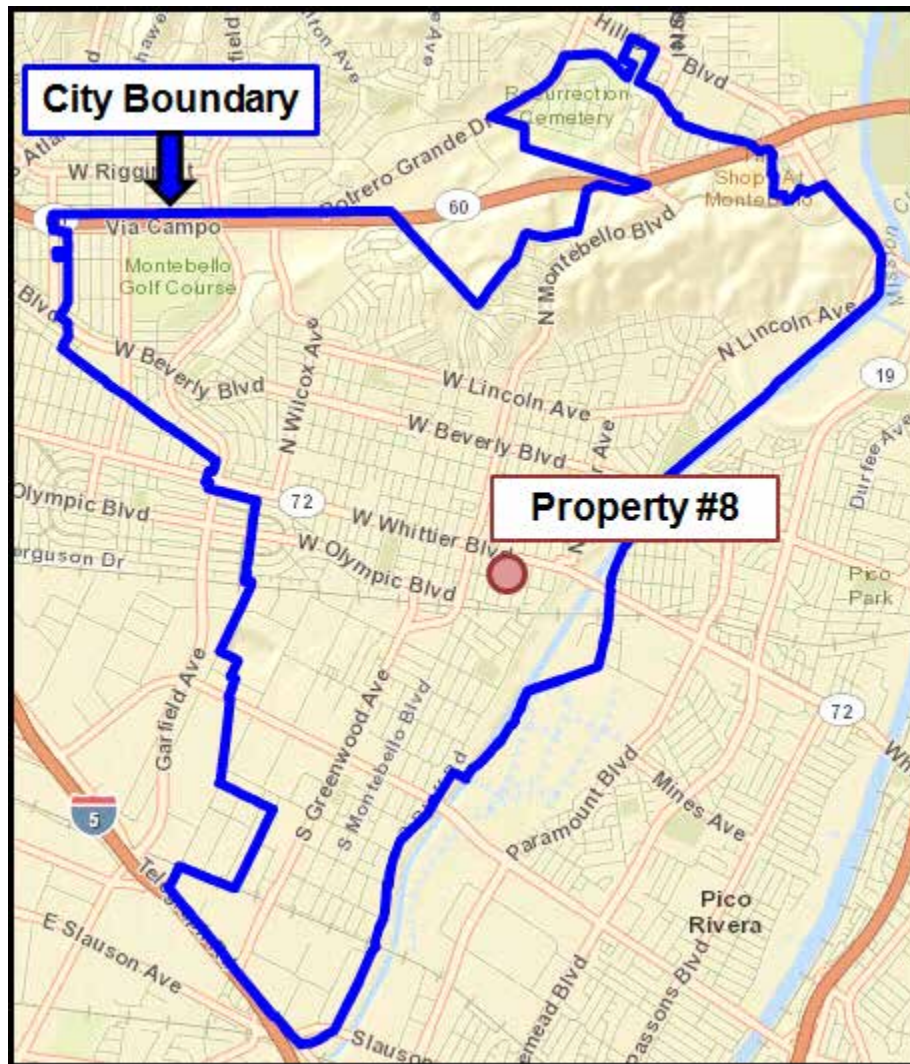
History of Development Proposals / Activities – Property #7

| | |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|
| History | There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition. |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------|

Recommendation for Disposition – Property #7

| | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Use of the Property for Fulfillment of Enforceable Obligations | <p>The property is recommended for use by the SA for fulfillment of enforceable obligations outlined above. Following fulfillment of the enforceable obligations (no sooner than 1/31/30), property is proposed for sale (via auction or broker-facilitated sale) with sale proceeds to be distributed to local taxing entities. To the extent that that the City or SA must incur costs in order to facilitate the eventual sale of the property to the appropriate buyer consistent with approved redevelopment plans, such costs will be deducted from sale proceeds prior to distribution to taxing entities and placed on the ROPS for the appropriate time period for reimbursement as a cost of disposition (evaluated outside of the administrative allowance cap) as appropriate. Use of the property as automotive commercial is consistent with the approved redevelopment plans noted above.</p> |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Property #8: 121 South 6th Street



Parcel Data – Property #8

| | |
|----------------------|-------------------------------------|
| Address | 121 South 6 th Street |
| APN | 6349-006-900 |
| Lot Size | 6,050 square feet |
| Use | Vacant lot |
| Zoning | C-2 (General Commercial) |
| Current Title | City of Montebello Successor Agency |



Acquisition & Valuation Information – Property #8

| | |
|----------------------------------|------------------------------------------------------------------------|
| Purchase Date | 11/26/08 |
| Purchase Price | \$310,000 |
| Funding Source | Tax increment |
| Purpose | Parking for other support of nearby housing and commercial development |
| Estimate of Current Value | \$135,000 |
| Method of Valuation | Comparable sales evaluation |

Revenues Generated by Property & Contractual Requirements – Property #8

| | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|
| None | There are currently no revenues generated by this property, and there are no contractual requirements related to this property. |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|

History of Environmental Contamination or Remediation Efforts – Property #8

| | |
|-------------|--------------------------------------------------------------------------------------------------|
| None | No known history of environmental contamination, designation as Brownfield site, or remediation. |
|-------------|--------------------------------------------------------------------------------------------------|

Transit-Oriented Development & Agency Planning Objectives – Property #8

Potential for TOD

Not applicable

Agency Planning Objectives

Future utilization of the property as parking or another supportive use for nearby housing and commercial development (including projects explicitly delineated within the Implementation Plan) meets a number of the Agency's goals and objectives from the adopted 2010-2014 Five-Year Implementation Plan, including Agency Universal Objective #1 (revitalize specific blighted areas within the City through public and private efforts in order to reshape and encourage private investments that will lead to expanding local business activity, increasing local revenues, increase jobs and housing for low- and moderate-income households), Agency General Objective #9 (encouragement of highest and best use of available land consistent with the General Plan), Agency General Objective #11 (development of vacant or under-utilized industrial land), and Agency General Objective #14 (increase availability of off-street parking).

History of Development Proposals / Activities – Property #8

History

Following acquisition of the property in November 2008, the Agency expended approximately \$23,000 for the demolition of the then-existing dilapidated housing improvements and for the installation of fencing around the property. Since that time, the property has been marketed to the development community along with the South Sixth Street Mixed-Use Project. Otherwise, there has been no notable development proposal activity or other activity in connection with this property since Agency acquisition.

Recommendation for Disposition – Property #8

Liquidation

Property is recommended for disposition to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies based on the presiding property tax apportionment schedule pursuant to AB 1484. Exact disposition methodology is to be determined, however auction and broker-facilitated sale are currently being contemplated.

EXHIBIT B



Branch:
WFG Title Company of California
700 N. Brand Blvd, Suite 1100
Glendale, CA 91203
(818) 638-7501
Fax (818) 240-2196
E-mail: EPollard@wfgtitleco.com

Title Officer: Ernie Pollard

PRELIMINARY REPORT

ORDER NO. 5318375-EP

Ref. No.:

**Director of Planning and Community Development
1600 W. Beverly Blvd
Montebello, CA 90640
Attn.: Michael Huntley**

Property Address:

**Montebello, CA
APN: 5293-001-900**

In response to the above referenced application for a policy of title insurance, this Company reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms. The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit B attached.

Please read the exceptions shown or referred to below and the Exceptions and Exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land. This report (and any supplements hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of policy of title insurance contemplated by this report is:

**PRELIMINARY REPORT ONLY
Issued by WFG Title Insurance Company**

Dated as of **AUGUST 2, 2013** at **7:30 a.m.**

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A Fee

Title to said estate or interest at the date hereof is vested in:

**MURVALE COMPANY, A CORPORATION, AS TO THE SURFACE AND 200 FEET OF THE SUBSURFACE
VERTICALLY IN DEPTH BELOW THE SURFACE TO A PORTION OF SAID LAND AND
THE CITY OF MONTEBELLO, A MUNICIPAL CORPORATION**

The land referred to in this Report is situated in the State of California, County of **Los Angeles** and is described as follows:

(See "Legal Description" Exhibit A attached hereto and made a part hereof)

Exhibit A
Legal Description

All that certain real property in the County of LOS ANGELES, State of California, described as follows:

THAT PORTION OF PARCEL 3 OF PARCEL MAP NO. 4605, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 52, PAGES 67 THROUGH 69 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID PARCEL 3; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL NORTH 32° 55' 25" WEST 328.33 FEET; THENCE NORTH 57° 04' 35" EAST 292.33 FEET; THENCE SOUTH 32° 55' 25" EAST 180.65 FEET; THENCE SOUTH 57° 04' 35" WEST 30.00 FEET; THENCE SOUTH 32° 55' 25" EAST 147.68 FEET; TO THE SOUTHERLY LINE OF SAID PARCEL 3, ALSO BEING THE NORTHERLY LINE OF MONTEBELLO BOULEVARD; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 57° 04' 35" WEST 262.33 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION OF SAID LAND, INCLUDED WITHIN THE LINES OF THE LAND DESCRIBED IN THE DEED RECORDED SEPTEMBER 2, 1958 IN BOOK D203, PAGE 268 OF OFFICIAL RECORDS, ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS RESERVED BY IN THE DOCUMENTS RECORDED IN BOOK 53337, PAGE 403 AND IN BOOK 53337, PAGE 406 BOTH OF OFFICIAL RECORDS.

ALSO EXCEPT, ALL OIL, GAS AND OTHER HYDROCARBONS; NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES; ALL OTHER MINERALS OF WHATSOEVER NATURE, WITHOUT REGARD TO SIMILARITY TO THE ABOVE MENTIONED SUBSTANCES; AND ALL SUBSTANCES THAT MAY BE PRODUCED THEREWITH FROM THE PROPERTY.

ALSO EXCEPT ALL GEOTHERMAL RESOURCES, EMBRACING, INDIGENOUS STEAM, HOT WATER AND HOT BRINES, OTHER FLUIDS ARTIFICIALLY INTRODUCED INTO SUBSURFACE FORMATIONS; HEAT OR OTHER ASSOCIATED ENERGY FOUND BENEATH THE SURFACE OF THE EARTH; AND BYPRODUCTS OF ANY OF THE FOREGOING SUCH AS MINERALS (EXCLUSIVE OF OIL OR HYDROCARBON GAS THAT CAN BE SEPARATELY PRODUCED) WHICH ARE FOUND IN SOLUTION OR ASSOCIATION WITH OR DERIVED FROM ANY OF THE FOREGOING.

ALSO EXCEPT THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO BORE OR DRILL AND MAINTAIN WELLS OR OTHER WORKS INTO AND THROUGH THE PROPERTY AND ADJOINING STREETS, ROADS AND HIGHWAYS BELOW A DEPTH OF FIVE HUNDRED FEET (500') FROM THE SURFACE THEREOF FOR THE PURPOSE OF EXPLORING FOR AND PRODUCING ENERGY RESOURCES; THE RIGHT TO PRODUCE, INJECT, STORE AND REMOVE FROM AND THROUGH SAID BORE, WELLS OR WORKS, OIL, GAS, WATER, AND OTHER SUBSTANCES OF WHATEVER NATURE, INCLUDING THE RIGHT TO PERFORM BELOW SAID DEPTH ANY AND ALL OPERATIONS DEEMED BY GRANTOR NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS.

THE RIGHTS HEREINABOVE EXCEPTED AND RESERVED TO GRANTOR DO NOT INCLUDE AND DO NOT EXCEPT OR RESERVE TO GRANTOR ANY RIGHT OF GRANTOR TO USE THE SURFACE OF THE PROPERTY OR THE FIRST FIVE HUNDRED FEET (500') BELOW SAID SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN, UNLESS HEREINAFTER SPECIFICALLY EXCEPTED AND RESERVED, ALL RIGHTS AND INTERESTS IN THE SURFACE OF THE PROPERTY ARE HEREBY CONVEYED TO GRANTEE.

APN: 5293-001-900

At the date hereof exceptions to coverage in addition to the printed exceptions and Exclusions contained in said policy would be as follows:

1. General and special taxes and assessments for the fiscal year 2013-2014, a lien not yet due or payable.
 - 1a. General and special taxes and assessments for the fiscal year 2012-2013.

First Installment: \$0.00 NO TAX DUE
Second Installment: \$0.00 NO TAX DUE
Tax Rate Area: 06367
A. P. No.: 5293-001-900
 - 1b. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
 - 1c. Assessments, for community facility districts, if any, affecting said land which may exist by virtue of assessment maps or notices filed by said districts.
2. Water rights, claims or title to water, whether or not shown by the public records.
3. THE PROVISIONS OF AN OIL LEASE AND AGREEMENT AFFECTING THIS AND OTHER PROPERTY, MADE AND ENTERED INTO ON OCTOBER 9, 1916 BY AND BETWEEN ANITA M. BALDWIN, AS LESSOR AND STANDARD OIL COMPANY, AS LESSEE, UPON THE COVENANTS AND CONDITIONS AND FOR THE RENTALS AND ROYALTIES THEREIN PROVIDED, RECORDED IN BOOK 106, PAGE 165 OF LEASES.

AS MODIFIED BY AN INSTRUMENT RECORDED IN BOOK 113, PAGE 88 OF LEASES.

AS MODIFIED BY AN INSTRUMENT RECORDED IN BOOK 127, PAGE 31 OF LEASES.

THE INTEREST OF THE LESSEE WAS TRANSFERRED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED AND ASSIGNMENT RECORDED APRIL 15, 1926 IN BOOK 4543, PAGE 382 OF OFFICIAL RECORDS, AND MAY HAVE MERGED WITH THE FEE TITLE, NO DECLARATION OF MERGER APPEARS OF RECORD.
4. An easement for public utilities and incidental purposes, recorded IN BOOK D6217, PAGE 199 of Official Records.

Granted to: CITY OF MONTEBELLO
Affects: SAID LAND

The location of the easement cannot be determined from record information.

5. An easement for public street purposes and incidental purposes, recorded JUNE 18, 1971 AS INSTRUMENT NO. 3460 of Official Records.

Granted to: THE CITY OF MONTEBELLO, A MUNICIPAL CORPORATION
Affects: AS DESCRIBED THEREIN

6. An easement for storm drains and incidental purposes, recorded OCTOBER 7, 1971 AS INSTRUMENT NO. 2501 of Official Records.

Granted to: CITY OF MONTEBELLO, A MUNICIPAL CORPORATION
Affects: AS DESCRIBED THEREIN

7. The terms, conditions and provisions contained in the document entitled, "SLOPE AGREEMENT" executed by and between STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION and CITY OF MONTEBELLO, A MUNICIPAL CORPORATION, recorded OCTOBER 7, 1971 AS INSTRUMENT NO. 2502, Official Records.

Reference is hereby made to said document for full particulars.

8. The fact that the land lies within the boundaries of the Montebello Community Redevelopment Plan, as disclosed by the document recorded JULY 21, 1975 AS INSTRUMENT NO. 2544, Official Records.

AMENDMENT TO SAID PLAN RECORDED JUNE 9, 1976 AS INSTRUMENT NO. 4456 OF OFFICIAL RECORDS.

Reference is hereby made to said document for full particulars.

9. An easement for the purpose shown below and rights incidental thereto, as shown or as offered for dedication on the recorded map shown below.

Map of: SAID TRACT
In favor: STRATHMORE PATIO HOMES ASSOCIATION, INC.
Purpose: INSTALLATION, MAINTENANCE, AND REPAIR OF
LANDSCAPING, IRRIGATION FACILITIES AND DRAINAGE
FACILITIES AND SLOPE MAINTENANCE PURPOSES
Affects: AS DESCRIBED THEREIN
Recorded: SEPTEMBER 17, 1976 AS INSTRUMENT NO. 4097 OF OFFICIAL
RECORDS

10. An easement for public utilities and incidental purposes, recorded DECEMBER 2, 2009 AS INSTRUMENT NO. 20091823163 of Official Records.

Granted to: SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION
Affects: THAT PORTION OF SAID LAND DESCRIBED AND DELINEATED IN
SAID DOCUMENT.

11. A Memorandum of Communications Site Lease Agreement, dated MAY 9, 2012 executed by CITY OF MONTEBELLO, A MUNICIPAL CORPORATION as Lessor and LOS ANGELES SMSA LIMITED PARTNERSHIP DBA VERIZON WIRELESS as Lessee, recorded JULY 3, 2012 AS INSTRUMENT NO. 20120986852, Official Records.
12. The terms, conditions and provisions contained in the document entitled, "AGREEMENT" executed by and between CHEVRON U.S.A., INC., A CORPORATION and PACIFIC BELL, A CORPORATION, recorded DECEMBER 18, 1986 AS INSTRUMENT NO. 86-1764701, Official Records.

Reference is hereby made to said document for full particulars.

13. NOTE: Please be advised that our search did not disclose any open deeds of trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review.
14. Rights of parties in possession.

REQUIREMENTS:

Req. No. 1: Statements of information from all parties to the transaction.

Req. No. 2: With respect to MURVALE COMPANY, A CORPORATION:

- a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
- b. A certified copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
- c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

NOTES:

- Note No. 1: This report does not reflect requests for notice of default, requests for notice of delinquency, subsequent transfers of easements, and similar matters not germane to the issuance of the policy of title insurance anticipated hereunder.
- Note No. 2: If this company is requested to disburse funds in connection with this transaction, Chapter 598 of 1989 Mandates of the California Insurance Code requires hold periods for checks deposited to escrow or sub-escrow accounts. Such periods vary depending upon the type of check and anticipated methods of deposit should be discussed with the escrow officer.
- Note No. 3: No endorsement issued in connection with the policy and relating to covenants, conditions or restrictions provides coverage for environmental protection.
- Note No. 4: Special recordings: Due to a severe budget shortfall, many county recorders have announced that severe limitations will be placed on the acceptance of "special recordings."
- Note No. 5: Homeowners association: if the property herein described is subject to membership in a homeowners association, it will become necessary that we be furnished a written statement from the said homeowners association of which said property is a member, which provides that all liens, charges and/or assessments levied on said land have been paid. Said statement should provide clearance up to and including the time of closing. In order to avoid unnecessary delays at the time of closing, we ask that you obtain and forward said statement at your earliest convenience.
- Note No. 6: Demands: This company requires that all beneficiary demands be current at the time of closing. If the demand has expired and a current demand cannot be obtained it may be necessary to hold money whether payoff is made based on verbal figures or an expired demand.
- Note No. 7: Line of credit payoffs: If any deed of trust herein secures a line of credit, we will require that the account be frozen and closed and no additional advances be made to the borrower. If the beneficiary is unwilling to freeze the account, we will require you submit to us all unused checks, debit vouchers, and/or credit cards associated with the loan along with a letter (affidavit) signed by the trustor stating that no additional advances will be made under the credit line. If neither of the above is possible, it will be necessary to hold any difference between the demand balance and the maximum available credit.
- Note No. 8: Maps: The map attached hereto may or may not be a survey of the land depicted thereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. WFG Title Company of California expressly disclaims any liability for alleged loss or damages which may result from reliance upon this map.
- Note No. 9: The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, then a CLTA Owners Policy will be issued.
- Note No. 10: In the event of cancellation or if the transaction has not closed within 90 days from the date hereof, the rate imposed and collectable shall be a minimum of \$360.00, pursuant to Section 12404 of the Insurance code, unless other provisions are made.
- Note No. 11: ***A Preliminary Change of Ownership Report (PCOR)*** must be filed with each conveyance in the County Recorder's office for the county where the property is located. If a document evidencing a change in ownership is presented to the Recorder for recordation without the concurrent filing of a PCOR, the Recorder may charge an additional recording fee of twenty dollars (\$20). State law also provides for a penalty of be levied if the Change of Ownership Report is not returned to the Assessor within a timely filing period. The penalty for failure to file a Change in Ownership Statement is \$100 or 10% of the new tax bill, whichever is greater, but not to exceed \$2,500.

Note No. 12: According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None.



**Please call your Escrow Officer if your answer is
"Yes" to any of the following questions**

- ◆ At any time during the preceding 6 months, has there been, or is there currently, any work or construction of improvements on the property?
- ◆ Are any of the parties currently vested in title, on the property herein currently Incapacitated or Deceased?
- ◆ Are any of the principals of the transaction intending to use a Power of Attorney to execute any of the documentation involved in this transaction?
- ◆ Has there been a recent change of marital status of any of the principals involved in this transaction?
- ◆ Is the property herein intended to be transferred into a Trust, Partnership, Corporation, or Limited Liability Company?
- ◆ Do the sellers of the property reside outside the state of California?
- ◆ Will the property described herein be part of a Tax Deferred Exchange?

In order to better serve you, We ask that you remember:

- ◆ All parties signing documents must have a valid Photo Identification Card, Drivers License, or Passport for notarial acknowledgment.
- ◆ Please call your Escrow Officer with any Loan or Lien payoff information, if required, he or she may order payoff demands in a timely manner, & advise your Escrow Officer of any loan(s) that are to be assumed by the buyer.
- ◆ If parties are obtaining a loan, your Escrow Officer will need to have the Fire/Hazard Insurance, agent name & phone number to add the new lender on the policy as a loss payee.
- ◆ If there is to be a change of ownership, it will be necessary for the parties acquiring title to indicate how they would like to be vested. **WFG Title Company of California** has a worksheet available that will briefly explain each of the various methods of holding title (please feel free to request a copy from us). Note: Each method by which you can hold title has different legal &/or tax considerations & parties are encouraged to obtain advise from an Attorney, CPA, or other professional knowledgeable in this area.

Privacy Policy of WFG Title Company of California

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, you have provided or will provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize personal information you provide to us.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer-reporting agency.

Use of Information

The information you provide us is for our own legitimate business purposes and not for the benefit of any affiliated or nonaffiliated party. Therefore, we will not release your information to affiliated and nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities that need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with the Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



Notice of Opportunity to Earn Interest

You have the opportunity to earn interest on the funds you deposit with us by instructing us to deposit your funds into an interest bearing account. (You do not have an opportunity to earn interest on any funds deposited by a lender.) If you elect to earn interest, there is an additional fee in the amount of \$50.00 for establishing and maintaining such an account. It is important that you consider this cost as it may exceed the actual interest you earn.

Example: A regular savings deposit of \$1,000.00 at an average interest rate of 3.0%* per annum for a 30 day period:

| | | | | | | | | |
|----------------|---|-------------|---|---------------|---|-------------|---|------------------------------|
| <u>Deposit</u> | x | <u>Rate</u> | ÷ | <u>Annual</u> | x | <u>Days</u> | = | <u>Total Interest Earned</u> |
| \$1,000.00 | x | .03 | ÷ | 360 | x | 30 | = | \$2.50 |

PLEASE READ THE FOLLOWING CAREFULLY:

A. If you do not want to have your funds deposited into an interest-bearing account, please initial below this paragraph and return this Notice and such will constitute an instruction to us that your funds be deposited into **WFG Title Company of California** general escrow account. Likewise, non-receipt of this form will also constitute an instruction to us that your funds be deposited into **WFG Title Company of California** general escrow account. For important information regarding the general escrow accounts, please read the disclosure in Paragraph C below.

Initials _____

B. If you elect to have your funds earn interest in an interest-bearing account using **WFG Title Company of California** depository bank, you **MUST** sign this form below, and return to **WFG Title Company of California** both this signed form and a W-9 form, which can be provided upon request. Please be advised that you will be responsible for reporting all earnings to the applicable taxing authorities.

C. Should you not elect to earn interest on your deposit, your funds will be deposited into our general escrow account at a financial institution insured by the FDIC. The general escrow account is restricted and protected against claims by third parties or creditors of **WFG Title Company of California**. This is a non-interest bearing account; however, **WFG Title Company of California**, may receive certain financial benefits from that financial institution because of the general escrow account and its on-going banking relationship. These benefits may include, without limitation, credits allowed by such financial institution on loans to **WFG Title Company of California** and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. We do not have an obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by **WFG Title Company of California**. Any such benefits shall be deemed additional compensation of **WFG Title Company of California** for its services in connection with the escrow.

ELECTION TO EARN INTEREST:

I HEREBY AUTHORIZE AND DIRECT, WFG TITLE COMPANY OF CALIFORNIA TO OPEN AN INTEREST BEARING ACCOUNT AT WFG TITLE COMPANY OF CALIFORNIA DEPOSITORY BANK AND TO CHARGE THE ADDITIONAL FEE FOR THIS SERVICE.

SIGNATURE: _____

DATE: _____

SIGNATURE: _____

DATE: _____

* Please note that this interest rate is only an example and **WFG Title Company of California** does not guaranty the availability of any specific rate.



WIRE INSTRUCTIONS: THIS COMPANY WILL BE ABLE TO WIRE FUNDS NECESSARY TO PAY LOANS IN FULL AND/OR PROCEEDS TO ESCROW PROVIDED WE HAVE LENDER PROCEEDS WIRED TO US WHEN THE LOAN FUNDS PRIOR TO RECORDING. THIS WILL ALLOW US THE COLLECTED FUNDS IN OUR ACCOUNT NECESSARY TO WIRE TO YOU. OUR WIRE INSTRUCTIONS ARE:

Bank: **Comerica Bank**
Routing No.: **121137522**
Address: 2321 Rosecrans Avenue. #5000
El Segundo, CA 90245
Credit: WFG Title Company of California
Account No.: **1894255478**
Title Order No.: **5318375**

PLEASE BE SURE TO REFERENCE OUR TITLE ORDER NUMBER AND TITLE OFFICER.

IF YOU WISH TO HAVE PROCEEDS WIRED TO YOUR ESCROW ACCOUNT PLEASE REQUEST SO AT THE TIME YOU AUTHORIZE THE RECORDING AND VERIFY THAT WE HAVE YOUR CORRECT WIRE INSTRUCTIONS. FOR YOUR CONVENIENCE WE HAVE PROVIDED THE FOLLOWING FORM TO BE FILLED OUT AND FAXED PRIOR TO RECORDING:

.....
WFG TITLE COMPANY OF CALIFORNIA

DATE: _____

YOUR ORDER NO.: _____

OUR ESCROW NO.: _____

ON THE ABOVE REFERENCE FILE PLEASE WIRE PROCEEDS TO OUR ACCOUNT. OUR WIRE INSTRUCTIONS ARE:

BANK: _____
BANK ADDRESS: _____
CITY: _____
CREDIT TO: _____
ACCOUNT NO.: _____
ABA ROUTING NUMBER: _____
SPECIAL INSTRUCTIONS: _____

Note: If you have any documents pertaining to this file please call your title unit or our dispatch department for pickup. Our telephone number is: (818) 476-4000

CLTA Preliminary Report Form - Exhibit B (06-04-10)

CLTA STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part, or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge
3. Defects, liens, encumbrances, adverse claims, or other matters.
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant,
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy,
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records, Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

- b. zoning;
- c. land use;
- d. improvements on the Land;
- e. land division; and
- f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e, 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection
- This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
 3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e, 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage State as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | <u>Your Deductible Amount</u> | <u>Our Maximum Dollar Limit of Liability</u> |
|------------------|------------------------------------------------------|--------------------------------------------------|
| Covered Risk 16: | 1% of Policy Amount or \$2,500.00 (which is less) | \$10,000.00 |
| Covered Risk 18 | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 19: | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 21: | 1% of Policy Amount or \$2,500.00 (which is less) | \$25,000.00 |

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending laws.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws,, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy from may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1 (b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (02-03-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental policy power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters.
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or law of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

EXHIBIT C

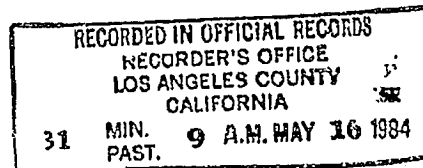
RECORDING REQUESTED BY:

CITY OF MONTEBELLO

84 587746

WHEN RECORDED RETURN TO:

CITY CLERK
CITY OF MONTEBELLO
1600 W. BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA 90640



MAIL TAX STATEMENTS TO:

SAME

CORPORATION GRANT DEED

FREE N

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, CHEVRON U.S.A. INC., a corporation organized under the laws of the State of California, hereinafter called "Grantor," hereby grants to the CITY OF MONTEBELLO, a municipal corporation, hereinafter called "Grantee," the following described real property in the City of Montebello, County of Los Angeles, State of California:

That portion of Parcel 3 of Parcel Map No. 4605 in the City of Montebello, County of Los Angeles, State of California, as shown on a map filed in Book 52, Pages 67 through 69 inclusive of Parcel Maps described as follows:

Beginning at the southwesterly corner of said Parcel 3; thence along the southwesterly line of said parcel North 32° 55' 25" West 328.33 feet; thence North 57° 04' 35" East 292.33 feet; thence South 32° 55' 25" East 180.65 feet; thence South 57° 04' 35" West 30.00 feet; thence South 32° 55' 25" East 147.68 feet; to the southerly line of said Parcel 3, also being the northerly line of Montebello Boulevard; thence along said southerly line South 57° 04' 35" West 262.33 feet to the Point of Beginning.

EXCEPTING AND RESERVING UNTO GRANTOR, ITS SUCCESSORS AND ASSIGNS: all oil, gas and other hydrocarbons; non-hydrocarbon gasses or gaseous substances; all other minerals of whatsoever nature, without regard to similarity to the above-mentioned substances; and all substances that may be produced therewith from said real property.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR, ITS SUCCESSORS AND ASSIGNS: all geothermal resources, embracing: indigenous steam, hot water and hot brines; steam and other gasses, hot water and hot brines resulting from water, gas or other fluids artificially introduced into subsurface formations; heat or other associated energy found beneath the surface of the earth; and byproducts of any of the foregoing such as minerals (exclusive of oil or hydrocarbon gas that can be separately produced) which are found in solution or association with or derived from any of the foregoing.

ALSO EXCEPTING AND RESERVING UNTO GRANTOR, ITS SUCCESSORS AND ASSIGNS: the sole and exclusive right from time to time to bore or drill and maintain wells and other works into and through said real property and adjoining streets, roads and highways below a depth of five hundred (500) feet for the purpose of exploring for and producing energy resources and the right to produce, inject, store and remove from and through said bores, wells or works, oil, gas, water, and other substances of whatever nature, including the right to perform below said depth any and all operations deemed by Grantor necessary or convenient for the exercise of such rights.

✓

The rights hereinabove excepted and reserved to Grantor do not include and do not except or reserve to Grantor any right of Grantor to use the surface of said real property or the first five hundred (500) feet below said surface or to conduct any operations thereon or therein. Unless hereinafter specifically excepted and reserved, all rights and interests in the surface of said real property are hereby conveyed to Grantee.

This conveyance is also subject to all other matters appearing of record or that can be ascertained by an inspection of said real property and is made without any warranty, expressed or implied, as to the suitability of said real property for any purpose.

IN WITNESS WHEREOF, said Corporation has caused this instrument to be executed by its Assistant Secretary thereunto duly authorized.

Dated this 7th day of May, 1984.

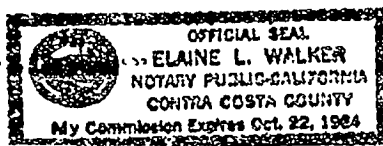
CHEVRON U.S.A. INC.

By B.T. Dumas
Assistant Secretary

State of California)
County of Contra Costa) ss

On may 7, 1984, before me, ELAINE L. WALKER, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared B.T. DUMAS, personally known to me (or proved to me on the basis of satisfactory evidence) to be Assistant Secretary of CHEVRON U.S.A. INC., the Corporation described in and that executed the within instrument, and also known to me to be the person(s) who executed it on behalf of the said Corporation therein named, and acknowledges to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the County and State aforesaid the day and year in this certificate above written.



Elaine L. Walker
Notary Public in and for the County of
Contra Costa, State of California

10 127 (ED 1-1-83)
Printed in U.S.A.

84- 587746

84- 587746

CERTIFICATE OF ACCEPTANCE

3

This is to certify that the interest in real property conveyed by deed or grant dated May 7, 1984, from CHEVRON, USA, INC.

_____ to the City of Montebello, a municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Montebello, pursuant to authority conferred by Resolution No. 9406 of the City Council of said City adopted on February 23, 1972; and the grantee consents to recordation thereof by its duly authorized officer.

Dated: May 14, 1984

Andrew T. Lando



EXHIBIT D



U.S. Department of Housing and Urban Development
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1000
Los Angeles, CA 90017

DEC 03 2014

Francesca Tucker-Schuyler, City Administrator
City of Montebello
1600 West Beverly Blvd
Montebello, CA 90640

Dear Ms. Tucker-Schuyler:

SUBJECT: Community Development Block Grant (CDBG) Program
HOME Program
On-Site Monitoring Report - Fiscal Year 2014

On November 6, 2014 the Department received the City's second response to the May 5, 2014 monitoring report. Based on the City's response and supporting documentation, finding eleven is now closed. All other findings remain open pending submission of documentation supporting that all corrective actions have been implemented. In addition the City will be required to repay \$300,868.48 in ineligible code enforcement expenditures and a preliminary amount of \$1,645,232.59 for ineligible HOME expenditures. These issues are discussed in more detail below.

For finding three, the City provided a schedule that CDBG monitoring was going to occur in October 2014. In order to close this finding, please provide documentation that the monitoring occurred and the results of that monitoring.

For finding four, the City's prior response indicated that City was developing a revised written agreement to incorporate the record keeping requirements, including Exhibit A (Scope of Work), Exhibit B (Program Budget) and Exhibit C (Funded Personnel). Please provide a copy of an executed sub-recipient agreement with these changes incorporated.

For finding five, the City must provide documentation of the onsite monitoring of all CDBG activities.

For finding seven, the documentation submitted did not show the staff time is tied to a CDBG eligible activity. For 2011 and 2012, no information was provided by the City, the original corrective action required the City to provide documentation of time and activity sheets showing eligibility of costs, and that the costs were incurred in a CDBG eligible area. This finding is a repeat finding from 2011 and the City has failed to provide documentation that CDBG funds have been spent appropriately on code enforcement since 2009. Therefore, based on the information provided and reviewed during the monitoring, the City will need to repay \$164,637.22 for 2009 and \$136,231.22 for 2010. For 2011 and on, the City will need to provide documentation showing the appropriate tracking of time within a CDBG eligible area, or reprogram the funds to other CDBG eligible activities.

For finding eight, the City's prior submission was a memo from the City's consultant, not a revised policy including a certification of implementation from the City's authorized official. In addition, for the Mada household, the documentation submitted indicates that they do not have a bank account; however the income statements indicate direct deposit into an account. Please clarify.

For finding nine, the following items remain outstanding:

- The written agreement does not include such items as a timeline, budget and scope of work. Please review the regulatory requirements for a HOME written agreement to ensure all regulatory requirements are stated.
- Please provide documentation of the final amounts expended for the rehabilitation, including documentation that the rehabilitation meets the City's written rehabilitation standards. The submission was an estimated cost that did not concur with the written agreement and the amount of funds committed in IDIS.
- The City must submit the tenant selection plan that will be utilized when the unit becomes vacated. This was not included in any of the City's submissions.
- The income information submitted for the tenant does not include documentation of assets; a direct deposit forms confirms that the household has some type of asset.
- Please refer to the original finding to ensure all corrective action has been implemented.

For finding ten, the documentation indicates that the City credited program income back to the HOME program, but does not match the documented program income received and supported in the homeowner files. Please provide supporting documentation of the amount of the program income and the associated HOME activity.

For finding twelve, the table below shows the amount of HOME costs that were not supported. The City needs to provide documentation of the amount of funds that will be reprogrammed as eligible planning and administrative costs, and make those adjustments within 15 days from the date of this letter.

| IDIS Activity # | Expended | Supported | Unsupported |
|-----------------|---------------|---------------------|---------------------|
| #121 | \$88,710.57 | \$0.00 | \$88,710.57 |
| #144 | \$150,000.00 | \$41,758.90 | \$108,241.10 |
| #174 | \$201,100.00 | \$41,150.50 | \$159,949.50 |
| #239 | \$426,433.76 | \$228,405.76 | \$198,028.00 |
| #268 | \$203,892.00 | \$157,392.00 | \$46,500.00 |
| #304 | \$89,056.70 | \$56,207.89 | \$32,848.81 |
| #317 | \$148,458.40 | \$26,610.00 | \$121,848.40 |
| | Total: | \$551,525.05 | \$756,126.38 |


For any remaining HOME funds requiring repayment, the City must propose a repayment agreement within 15 days from the date of this letter. If the City does not provide documentation that the appropriate actions were taken, the Department will issue a repayment agreement for the entire amount of \$756,126.38 and pursue additional sanctions to resolve this matter.

For finding thirteen, the City must propose a repayment agreement within 15 days from the date of this letter. If the City does not propose an acceptable resolution, the Department will

issue a repayment agreement for the entire amount of \$889,106.21 and pursue additional sanctions to resolve this matter.

Please respond to open findings within 30 days from the date of this letter, excluding findings twelve and thirteen which have a different required response time. Your response should cover the actions taken by the City to correct the outstanding issues and include any documentation necessary to show compliance with the corrective actions. If you have questions or need assistance, please contact Jane Wilson, the Community Planning and Development Representative assigned to your community at (213) 534-2718 or via e-mail at l.jane.wilson@hud.gov.

Sincerely,



William G. Vasquez, Director
Office of Community Planning
and Development

EXHIBIT E



U.S. Department of Housing and Urban Development
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1000
Los Angeles, CA 90017

MAY 05 2014

Francesca Tucker-Schuyler, City Administrator
City of Montebello
1600 West Beverly Blvd
Montebello, CA 90640

Dear Ms. Tucker-Schuyler:

SUBJECT: Community Development Block Grant (CDBG) Program
HOME Program
On-Site Monitoring Report - Fiscal Year 2014

On-Site monitoring of the City's CDBG and HOME programs was conducted March 31st through April 3rd, 2014. Jane Wilson accompanied by Michael Kovalsky and Suyong Choi, Community Planning and Development Representatives conducted the on-site review. The monitoring resulted in 13 findings, in the areas of CDBG expenditures, CDBG sub-recipient management, HOME overall program management, HOME homeowner rehabilitation, HOME reporting, and HOME eligibility. A finding relates to a program element that does not comply with Federal statute or regulation and requires a response from the grantee. A concern has the potential of becoming a finding if not addressed, or an area where the program could be improved. A detailed report is enclosed.

Please respond to all findings within 45 days from the date of this letter. Your response should cover the actions taken by the City to correct the outstanding issues and include any documentation necessary to show compliance with the corrective actions. We would like to extend our appreciation to you and your staff for the cooperation and assistance received during the review. If you have questions or need assistance, please contact Jane Wilson, the Community Planning and Development Representative assigned to your community at (213) 534-2718 or via e-mail at l.jane.wilson@hud.gov.

Sincerely,


William G. Vasquez, Director
Office of Community Planning
and Development

Enclosure: Montebello CDBG HOME Monitoring Report

**2014 Monitoring Report
Community Development Block Grant (CDBG) Program
HOME Program
City of Montebello, California**

On March 31st – April 3rd, the Department monitored the City's CDBG and HOME programs. The review focused on compliance in CDBG sub-recipient monitoring, CDBG eligibility and national objective, CDBG record keeping, CDBG overall management, HOME overall management, HOME homeowner rehabilitation, HOME reporting, and the Integrated Disbursement and Information System (IDIS). The programs reviewed included Code Enforcement, Armenian Relief Society (ARS), Housing Rights Center (HRC), HOME homeowner rehabilitation, and HOME rental rehabilitation. In addition, an on-site visit was conducted at the CDBG sub-recipient sites Armenian Relief Society and Housing Rights Center.

An entrance conference was conducted on Monday, March 31st 2014 to review the purpose of our on-site monitoring, the process, and an identification of what records and City staff we would need to access during our stay. Ernesto Hidalgo, David Kim, Lissette Calleros, and Ana Marie Lenone, represented the City, while the Department was represented by Suyong Choi, Michael Kovalsky and Jane Wilson, Community Planning and Development Representatives.

The monitoring was accomplished through a review of files, management reports, and interviews with City staff. On Tuesday, April 29th, 2014, an exit conference was held to discuss the results of the monitoring review. The City of Montebello was represented by Francesca Schuyler, City Administrator; David Kim, Finance Director; Ernesto Hidalgo, Community Development Analyst; and Lissette Calleros, Program Consultant. The Department was represented by Wayne Itoga, Program Manager; Jane Wilson, Michael Kovalsky and Suyong Choi, Community Planning and Development Representatives. The Department made thirteen findings.

FINDINGS AND CONCERNS

Findings are made when there is non-compliance with statutory, regulatory, or established policy requirements. Findings require a response and must be resolved by implementing specific corrective actions.

Concerns are not deficiencies in statutory or regulatory requirements but instead bring to the attention of the grantee areas in which improvement could be beneficial to the program, and if not addressed could be the subject of findings in future program reviews or follow-up visits. Technically, while concerns do not require a response from your agency, we hope you will take a moment to discuss the issues identified in this report.

OVERALL PROGRAM FINDINGS

Finding One: No Verification Record of Debarment and Suspension Status (Repeat Finding)

Condition: The City did not provide documentation which illustrated that contractors and sub-recipients were not excluded from participation in Federal programs.

Criteria: According to 24 CFR Part §85.35, the City must not make or permit any award at any tier to any party, which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs.

Cause: The City was not appropriately documenting verifications of debarment or suspension status.

Effect: Without documenting debarment and suspension status the City is at risk of awarding funds to a party which is debarred or suspended from participation in Federal programs.

Corrective Action: The City staff must check each selected contractor's or sub-recipient's status for debarment or suspension. The City can check status on the on-line System for Award Management at <https://www.sam.gov/portal/public/SAM/>. The City should print out the verification information from the system and maintain it within the project files. The City must provide documentation of implementation of this process.

Finding Two: Environmental Reviews (Repeat Finding)

Condition: The appropriate environmental assessments and reviews were not conducted for CDBG or HOME projects. The activities are categorically excluded but the City provided environmental assessments that were completed after the written agreements were executed.

Criteria: In accordance with HOME regulation 24 CFR 92.352.(b)(1) grantees assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification. The regulation at 24 CFR 58.1(b), applies the same responsibility to CDBG projects to activities and projects where specific statutory authority exists for recipients or other responsible entities to assume environmental responsibilities.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: The City's records do not document compliance with the required HOME or CDBG program regulations in regards to environmental reviews.

Corrective Action: The City must conduct environmental reviews for all projects prior to expending funds. As part of completing the sub-recipient agreements, the City should conduct the environmental review to determine whether an activity is categorically excluded and secure that documentation within the file. The City must provide documentation of implementation of this requirement.

CDBG FINDINGS

Finding Three: Sub-recipient Monitoring (Repeat Finding)

Condition: The City failed to conduct annual monitoring of all City departments and sub-recipients.

Criteria: The regulation at 24 CFR 85.40 requires that the grantee monitor grant and sub-grant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function, and activity.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: The City departments and sub-recipients are not aware of program requirements and do not maintain appropriate records.

Corrective Action: The City must establish and implement a monitoring schedule. As this has been a repeat issue with the City, in order to close this finding, the City must conduct on-site monitoring of all sub-recipients during this program year. The City must then provide documentation of the on-site monitoring and the results of that monitoring to the Department.

Finding Four: Program Records (Reopened Finding)

Condition: The City records do not clearly document that eligibility and national objective were reviewed and confirmed. The City's procedures do not explain how the policies and procedures manual are utilized to make the eligibility determinations. The City files did not document the national objective was met. The accomplishments reported in IDIS were based on the sub-recipient reports, however the City did not conduct any onsite monitoring to confirm the information reported or require any back-up documentation for the numbers submitted. The written agreement does not include a tracking system with a timetable and scheduled completion dates for activities.

Criteria: In accordance with CDBG regulations at 24 CFR 570.506, each grantee must establish and maintain sufficient records to enable the Department to determine whether the grantee has met the requirements.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: The City's records do not sufficiently document compliance with the required CDBG program regulations.

Corrective Action: The City must review the policies and procedures and implement a process to verify eligibility and national objective prior to funding an activity. The City must ensure that written agreements provide a timetable and scheduled completion dates that can be verified by the City. Finally, the City must establish a methodology to verify the accomplishment data submitted by sub-recipients. The City must provide documentation of these policy changes including a certification from the appropriate official of implementation.

Finding Five: CDBG Eligibility and National Objective (Reopened Finding)

Condition: The City's sub-recipient program records did not adequately document that a national objective was met. For Armenian Relief Society (ARS), intake records were missing signatures, incomplete, did not indicate income amounts, lacked all source documents of income or did not contain the calculation of the income or comparison to income limits. For Housing Rights Center (HRC), the files did not contain documentation of national objective. HRC completes an intake form based on a phone interview conducted with the clients. Only when HRC opens a case do they obtain supporting documentation of income eligibility for those clients, however there was no documentation of this for the clients.

Criteria: In accordance with 24 CFR 570.506, the City is required to have sufficient records for the Department to determine that grantee has met the CDBG requirements.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: Department is unable to verify that CDBG funds were spent on eligible activities that met a national objective.

Corrective Action: The City must conduct onsite monitoring of all CDBG activities to determine eligibility and national objective. The documentation utilized to support eligibility and national objective needs to be submitted to the Department to close this finding.

Finding Six: Insufficient Supporting Documentation for Invoices (Reopened Finding)

Condition: The City was cited in 2011 for insufficient documentation to support consultant costs and

invoices paid. The City has been on a reimbursement basis since that time, with the Field Office reviewing all invoices prior to payment. Although the City has made progress, there are still outstanding prior costs that have not been supported, and source documentation for invoices is still lacking. For example, not all personnel costs included time and activity sheets and documentation of the actual costs for employees was based on a calculation rather than the actual expenses. For supply expenditures, the records did not indicate items purchased including an invoice or cancelled checks.

Previously, the City utilized a consultant in the administration of their entitlement programs. The administrative activities for HOME and CDBG were paid as a program delivery cost under the HOME homeowner rehabilitation program rather than under planning and administrative activities. The City reviewed all invoices from PY2009 and submitted documentation of this review. The records did not include sufficient documentation of the CDBG expenditures; therefore the City designed and utilized a matrix based on activities that occurred during that time period. The Department will accept this process and will be requiring the City to shift the administrative costs to the CDBG planning and administrative line item as long as the City remains in compliance with the regulatory cap requirement.

Criteria: CDBG regulation 24 CFR 570.206 defines planning and administrative costs that are eligible for reimbursement within the established regulatory cap, excluding program delivery costs; 24 CFR 570.200(g) limits the amount of grant funds that can be expended for planning and administrative activities. OMB Circular A-87 requires time and activity sheets for all personnel costs. In accordance with 24 CFR Part 85.20 (a)(6), accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: The costs were not appropriately documented and ineligible costs may have been paid.

Corrective Action: The City must implement an invoice review process that includes the supporting documentation for all invoices. The City must continue to work with the Department on processing invoices to ensure the appropriate supporting documentation is secured. For any costs that are not appropriately supported, the Department will be requesting repayment.

Finding Seven: Code Enforcement (Reopened Finding)

Condition: This is a finding from the 2011 monitoring report. The City has resolved a portion of the prior issues identified. The following conditions remain and require additional information to resolve:

- a. The City needs to revise the policies and procedures for code enforcement to include:
 - i. Explanation of what percentage of deteriorating conditions must be present for the area to be considered deteriorating (current policy says 1 or more)
 - ii. Exclude major thoroughfares from LMA code enforcement activity.
- b. For a portion of the CDBG funds expended for program years 2009 and 2010, the City could not produce documentation showing that the staff costs for code enforcement were tied to eligible and/or LMA areas.

Criteria: Federal regulation 24 CFR 570.506 specifies that each grantee must establish and maintain sufficient records to enable the Department to determine whether the grantee has met the requirements. The regulation at 24 CFR 570.208(a)(1) requires that the activity benefit low to moderate income persons within a designated area that is primarily residential in nature. In addition, 24 CFR 85.20(a)(6), all personnel costs must be supported by verified and approved after-the-fact time and activity reports.

Cause: The City had insufficient knowledge of code enforcement eligibility requirements.

Effect: The Department is unable to verify that CDBG funds were spent on eligible activities.

Corrective Action: The City must revise, implement and submit to HUD, policies and procedures which address the deficiencies noted in the condition of this finding. To date for program year 2009 and 2010, the documentation has only supported \$38,221.81 of the \$377,312.06 expended on code enforcement; the City will be required to repay any costs that are not supported. For 2011 and 2012, the City has not provided documentation of time and activity sheets showing eligibility of costs, and that the costs were incurred in a CDBG eligible area. If the City plans on carrying out code enforcement in a service area that is not primarily residential, then the City should consider using the slum blight national objective. If the City is unable to document eligibility and national objective, the City will be required to repay any expended funds from non-federal funds into its local CDBG account, and submit financial documentation showing the deposit of such funds.

HOME FINDINGS

Finding Eight: Definition and Verification of Income

Condition: The City has not clearly defined and established the HOME definition of income to be used when determining income for HOME programs. The City continues to utilize a combination of the Part 5 and IRS definition of incomes.

For homeowner Mada, the City did not include all household members and their income. The resident indicated their elderly parent resided with them and then indicated that they no longer resided with them. However, the resident's income source was from being an in home service provider for that parent and communication to the parent indicated the same address.

Criteria: In accordance with 24 CFR 92.203 the HOME program has income targeting requirements for the HOME program and HOME projects. The participating jurisdiction must determine that each family is income eligible by determining the family's projected annual income.

Cause: The deficiencies were caused by a lack of checks and balances to ensure that all documentation is completed accurately and thoroughly and a lack of knowledge of the specific requirements of the regulations.

Effect: The City's records do not sufficiently document compliance with the required HOME program requirements and the Department is unable to determine if HOME funds were used to assist eligible homeowners.

Corrective Action: The City must establish policies and procedures that clearly define the definition of income that it will be utilizing for its HOME programs and only utilize documentation provided for in that definition. The City must provide documentation of this policy revision including a certification from the appropriate official of implementation. The City must re-evaluate the income for the Mada household, including all adult members and provide that documentation to the Department for review.

Finding Nine: HOME Rental Project

Condition: The City has initiated a rental rehabilitation project on a property owned by the City. The City did not ensure that the following items were completed as part of the rehabilitation requirements:

- a. No documentation of sources and uses of funds
- b. The loan amount exceeds the contracted amount for rehabilitation
- c. No documentation that work was performed in accordance with written rehabilitation standards

- d. Income documentation for the tenant was not sufficient to document tenant eligibility
- e. No documentation of compliance with the HOME rental rates
- f. No documentation of tenant lease
- g. The written HOME agreement does not include all the required provisions
- h. No tenant selection plan
- i. No documentation of inspections of work

Criteria: In accordance with the HOME regulation at 24 CFR 92.504(b), before dispersing any HOME funds to any entity, the participating jurisdiction must enter into a written agreement. In addition, 24 CFR Part 92.504(c)(5)(ii) establishes the provisions that are required in the HOME written agreement. In accordance with the HOME regulation at 24 CFR 92.508(a) each participating jurisdiction must establish and maintain sufficient records to enable HUD to determine whether the participating jurisdiction has met the requirements of this part.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: The City's records do not sufficiently document compliance with the required HOME program requirements and the Department is unable to determine if HOME funds were used appropriately.

Corrective Action: The City must assess the project and secure all the above noted documentation. The City must submit this documentation to the Department for review. The City must implement policies and procedures for rental rehabilitation projects. The City must provide documentation of these policy changes including a certification from the appropriate official of implementation.

Finding Ten: HOME Program Income

Condition: The City is not appropriately and timely receipting into IDIS HOME program income. The City received the loan repayments for homeowner Cervantes #304 on March 15, 2013 and homeowner Bernal #144 on August 24, 2012. This program income has not been receipted in IDIS.

Criteria: In accordance with HOME regulations at 92.500(c)(1) the local account of the HOME Investment Trust Fund includes deposits of any program income (from both the allocated funds and matching contributions in accordance with the definition of program income) and 92.502(c)(3) HOME funds in the local account of the HOME Investment Trust Fund must be disbursed before requests are made for HOME funds in the United States Treasury account.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: Program income has not been credited appropriately and funds may have been drawn from the U.S. Treasury before program income was utilized.

Corrective Action: The City must immediately credit and receipt the program income into the IDIS system. The City must provide documentation of the receipt of program income into IDIS. The City needs to develop policies and procedures to ensure that program income is credited and receipted at least quarterly. The City must provide documentation of this policy including a certification from the appropriate official of implementation.

Finding 11: HOME Project Status (Reopened Finding)

Condition: The City has not updated IDIS with the accurate HOME project status. The HOME homeowner rehabilitation activities were entered into IDIS as one program without breaking the program down by individual activities for each homeowner/address that was rehabilitated. In addition, the City has many activities that do not contain the appropriate beneficiary data.

Criteria: In accordance with HOME regulation at 24 CFR 92.502 (b) the participating jurisdiction must enter projects into IDIS. Further, the HOME regulation at 24 CFR 92.502 (d) states that project completion information must be entered into the IDIS 120 days following the completion of the project.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: The HOME project status is incorrectly reported and the Department is unable to accurately determine the number of HOME units assisted, where the units are located, the status of those units and who was the beneficiary.

Corrective Action: The City must review and evaluate all data entered into the IDIS system. Then the City must make the following corrections and updates to the IDIS information and provide documentation to the Department of completion:

IDIS Activity #239 – The homeowners Vasquez, Shishido, and Haro need to be removed from the activity. The homeowner Beckman accomplishment data needs to be inputted into the activity. The homeowners Preza and Silva accomplishment data should remain.

IDIS Activity #268 - The homeowner Cheng and Masamitsu needs to be removed from the activity. The homeowner Vasquez accomplishment data needs to be inputted into the activity. The homeowners Aguilar accomplishment data should remain.

IDIS Activity #304 – The homeowner Haro information needs to be entered as the accomplishment.

IDIS Activity #144 – The homeowner Bernal information needs to be entered as the accomplishment.

IDIS Activity #174 – The homeowner Masamitsu information needs to be entered as the accomplishment data.

IDIS Activity #317 – The homeowner Cervantes information needs to be entered as the accomplishment data.

Finding 12: HOME Homeowner Eligibility (Reopened Finding 27, 28, 29 & 30)

Condition: In the 2011 monitoring, the City failed to maintain records supporting the HOME expenditures and IDIS activities 121, 144, 174, 239, 268, 304 and 317. The homeowners Shishido, Cheng, and Pacheco have been determined to be ineligible. The following table shows the amounts the City was able to support as eligible HOME activities:

| IDIS Activity # | Expended | Supported | Unsupported |
|-----------------|--------------|--------------|--------------|
| #121 | \$88,710.57 | \$0.00 | \$88,710.57 |
| #144 | \$150,000.00 | \$41,758.90 | \$108,241.10 |
| #174 | \$201,100.00 | \$41,150.50 | \$159,949.50 |
| #239 | \$426,433.76 | \$228,405.76 | \$198,028.00 |
| #268 | \$203,892.00 | \$157,392.00 | \$46,500.00 |

| | | | |
|------|---------------|---------------------|---------------------|
| #304 | \$89,056.70 | \$56,207.89 | \$32,848.81 |
| #317 | \$148,458.40 | \$26,610.00 | \$121,848.40 |
| | Total: | \$551,525.05 | \$756,126.38 |

Although the costs are unsupported as HOME program eligible, either because the expenditures are ineligible or there is no documentation that the expenditures resulted in a HOME unit, \$217,502.11 were charges for the consultant who was administering the City's HOME and CDBG programs. Therefore, these costs can be correlated to administrative costs under the CDBG program. In addition, when HOME funds are expended for activities that do not result in HOME units, they can be credited as administrative costs. The City will be able to credit approximately \$141,537.00 as HOME administration. The remaining balance that cannot be attributed to an eligible HOME costs or planning and administration will be required to be repaid from non-Federal funds.

Criteria: In accordance with HOME regulation 24 CFR 92.502(a) the HOME program is managed through a computerized disbursement and information system established by HUD. The system disburses HOME funds that are allocated or reallocated, and collects and reports information on the use of HOME funds. 24 CFR 92.502(c)(1) requires that any drawdown of HOME funds from the United States Treasury account is conditioned upon the provision of satisfactory information by the participating jurisdiction about the project or tenant-based rental assistance and compliance with other procedures, as specified by HUD.

Cause: The City failed to appropriately administer their entitlement programs.

Effect: The Department is unable to determine that HOME funds were expended on an eligible activity that resulted in a HOME unit.

Corrective Action: The City must revise vouchers from HOME activities to CDBG and HOME planning and administration and provide documentation of these actions to the Department. The City must provide documentation of the repayment from non-Federal funds of the remaining balance that cannot be attributed to an eligible HOME costs or planning and administration will be required to be repaid from non-Federal funds.

Finding 13: Rental Housing Development

Condition: The City provided a developer with \$889,106.21 in HOME funds for the development of HOME units. The project was entered into IDIS as IDIS activity #202 and the funds were committed on September 23, 2003. The funds were subsequently drawn down, and the project was reported as completed in IDIS and beneficiary data was entered. However, to date the land is vacant and no HOME units were developed.

Criteria: In accordance with HOME regulation 24 CFR 92.502(a) the HOME program is managed through a computerized disbursement and information system established by HUD. The system disburses HOME funds that are allocated or reallocated, and collects and reports information on the use of HOME funds. Further, the HOME regulation at 24 CFR 92.502 (d) states that project completion information must be entered into the IDIS 120 days following the completion of the project.

Cause: The City has incorrectly entered data on the status of the project.

Effect: The City reported false information within the Department's system, indicating that HOME units had been created when they had not. The HOME funds were not expended for an eligible HOME activity.

Corrective Action: The City must cancel this activity in IDIS and will be required to repay the HOME account the \$889,106.21 for the ineligible use of HOME funds. Once the funds are repaid, the City will need to return the funds in IDIS, zero out the draws for activity #202 and cancel that activity.

SECTION 504 REQUIREMENTS

A limited review was conducted to determine if public facilities the City uses to hold meetings met the Section 504 Requirement. The City appears to have met communication and program accessibility requirements. It is important to note that there may be further contact from the Office of Fair Housing and Equal Opportunity (FHEO).

SINGLE AUDIT INFORMATION

Audit review consists of an evaluation of the City's performance in fulfilling the audit requirements of the Department's programs in accordance with OMB Circular A-133-200 Audit requirements. The Department reviewed the single-audit for fiscal year ending June 30, 2013. There were no findings for any HUD programs.

EXHIBIT F

IDIS - PR05

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
Drawdown Report by Project and Activity
MONTEBELLO, CA

DATE: 12-30-14

| Program Year/ | IDIS Act ID | Activity Name | Prior Year | Voucher Number | Line Item | Voucher Status | LOCCS Send Date | Grant Number | Fund Type | Drawn Amount |
|------------------|------------------------------------------------|----------------------------------------------|---------------|-------------------|--------------|-------------------|-------------------------------|--------------|--------------|---------------------|
| 1996 | LOHART NEIGHBORHOOD REVITALIZATION | 118 CONSTRUCTION OF SEVEN SINGLE FAMILY HOME | | | | | | | | |
| | | | 519241 | 3 | Completed | 7/7/2000 | M96MC060543 | EN | | \$75,081.04 |
| | | | 519241 | 4 | Completed | 7/7/2000 | M97MC060543 | EN | | \$51,613.36 |
| | | | 525179 | 17 | Completed | 7/26/2000 | M97MC060543 | EN | | \$4,635.00 |
| | | | 617939 | 15 | Completed | 3/29/2001 | M97MC060543 | EN | | \$2,800.00 |
| | | | 617942 | 12 | Completed | 3/29/2001 | M98MC060543 | EN | | \$400.00 |
| | | | 617942 | 13 | Completed | 3/29/2001 | M99MC060543 | PI | | \$0.00 |
| | | | 648964 | 6 | Completed | 6/27/2001 | M99MC060543 | PI | | \$5,341.26 |
| | | | 669673 | 9 | Completed | 8/29/2001 | M99MC060543 | AD | | \$1,200.00 |
| | | | 707834 | 2 | Completed | 12/19/2001 | M99MC060543 | AD | | \$1,934.69 |
| | | | 707834 | 3 | Completed | 12/19/2001 | M00MC060543 | AD | | \$360.31 |
| | | | 707834 | 4 | Completed | 12/19/2001 | M98MC060543 | EN | | \$3,420.00 |
| | | | 1093297 | 13 | Completed | 12/22/2004 | M99MC060543 | PI | | \$4,592.31 |
| | | | 1358860 | 23 | Completed | 12/27/2006 | M04MC060543 | PI | | \$505.00 |
| | | | 1555254 | 7 | Completed | 6/26/2008 | M04MC060543 | PI | | \$5,409.14 |
| | | | 1555254 | 8 | Completed | 6/26/2008 | M05MC060543 | PI | | \$43,990.44 |
| | | | 1555254 | 9 | Completed | 6/26/2008 | M06MC060543 | PI | | \$55,105.47 |
| | | | 1555254 | 10 | Completed | 6/26/2008 | M07MC060543 | PI | | \$126,996.03 |
| | | | | | | | Activity Total | | | \$383,384.05 |
| | | | | | | | Project Total | | | 450,434.05 |
| | | | | | | | Program Year ### Total | | | 485,940.05 |
| 1998 | Home Improvement & Preservation Program (HIPP) | 70 SINGLE FAMILY HOME REHAB. PROGRAM | | | | | | | | |
| | | | 525179 | 14 | Completed | 7/26/2000 | M97MC060543 | EN | | \$1,794.61 |
| | | | | | | | Activity Total | | | \$1,794.61 |
| 1998 | Home Improvement & Preservation Program (HIPP) | 91 LAZALDE, PATRICIA | | | | | | | | |
| | | | 519241 | 1 | Completed | 7/7/2000 | M96MC060543 | EN | | \$50,000.00 |
| | | | | | | | Activity Total | | | \$50,000.00 |
| 1998 | Home Improvement & Preservation Program (HIPP) | 92 SALAZAR, DOLORES | | | | | | | | |
| | | | 519241 | 2 | Completed | 7/7/2000 | M96MC060543 | EN | | \$50,000.00 |

| | | | | | | | | | | | |
|------|------------------------------------------------|-----|-----------------------------------------|---------|----|-----------|------------|-------------|----|------------------|--------------|
| 1998 | Greenwood Neighborhood Revitalization Program | 88 | GREENWOOD NEIGHBORHOOD REVITALIZATION | 768935 | 9 | Completed | 6/13/2002 | M98MC060543 | EN | Activity Total | \$50,000.00 |
| | | | | | | | | | | Activity Total | \$50,652.65 |
| | | | | | | | | | | Project Total | \$50,652.65 |
| | | | | | | | | | | Program Year ### | 50,652.65 |
| | | | | | | | | | | Tota | 371,867.52 |
| 1999 | Home Improvement & Preservation Program (HIPP) | 114 | HOME IMPROVEMENT & PRESERVATION PROGRAM | 525179 | 15 | Completed | 7/26/2000 | M97MC060543 | EN | Activity Total | \$1,922.00 |
| | | | | 582709 | 10 | Completed | 12/18/2000 | M97MC060543 | EN | Activity Total | \$5,828.00 |
| | | | | 617939 | 14 | Completed | 3/29/2001 | M97MC060543 | EN | Activity Total | \$106,842.00 |
| | | | | | | | | | | Project Total | \$114,592.00 |
| 1999 | Home Improvement & Preservation Program (HIPP) | 122 | ADELINA & ROSIE JUAREZ | 559104 | 1 | Completed | 10/2/2000 | M97MC060543 | EN | Activity Total | \$39,008.00 |
| | | | | | | | | | | Activity Total | \$39,008.00 |
| | | | | | | | | | | Project Total | 153,600.00 |
| 1999 | Greenwood Neighborhood Revitalization Program | 121 | NEW ECONOMICS FOR WOMEN | 648964 | 20 | Completed | 6/27/2001 | M98MC060543 | CO | Activity Total | \$23,400.00 |
| | | | | 648964 | 21 | Completed | 6/27/2001 | M99MC060543 | CO | Activity Total | \$1,031.94 |
| | | | | 839359 | 10 | Completed | 1/8/2003 | M99MC060543 | CO | Activity Total | \$20,063.27 |
| | | | | 899470 | 11 | Completed | 6/25/2003 | M99MC060543 | CO | Activity Total | \$4,054.79 |
| | | | | 899470 | 12 | Completed | 6/25/2003 | M00MC060543 | CO | Activity Total | \$5,954.51 |
| | | | | 1032052 | 19 | Completed | 6/30/2004 | M00MC060543 | CO | Activity Total | \$1,889.31 |
| | | | | 1060367 | 7 | Completed | 9/23/2004 | M00MC060543 | CO | Activity Total | \$15,318.81 |
| | | | | 1134950 | 12 | Completed | 4/21/2005 | M00MC060543 | CO | Activity Total | \$1,937.37 |
| | | | | 1134950 | 13 | Completed | 4/21/2005 | M02MC060543 | EN | Activity Total | \$8,339.93 |
| | | | | 1223649 | 13 | Completed | 12/22/2005 | M02MC060543 | EN | Activity Total | \$1,700.11 |
| | | | | 1223649 | 14 | Completed | 12/22/2005 | M99MC060543 | PI | Activity Total | \$938.81 |
| | | | | 1223649 | 15 | Completed | 12/22/2005 | M00MC060543 | PI | Activity Total | \$1,421.76 |
| | | | | 1358860 | 14 | Completed | 12/27/2006 | M03MC060543 | EN | Activity Total | \$2,659.96 |
| | | | | | | | | | | Project Total | \$88,710.57 |
| 1999 | Rental Rehabilitation Program | 115 | RENTAL REHABILITATION PROGRAM | 525179 | 16 | Completed | 7/26/2000 | M99MC060543 | AD | Activity Total | \$1,364.00 |
| | | | | | | | | | | Activity Total | \$1,364.00 |
| | | | | | | | | | | Project Total | 1,364.00 |
| | | | | | | | | | | Program Year ### | 293,494.42 |
| | | | | | | | | | | Tota | |

[illegible]

| | | | | | | | | | | | | | |
|------|------------------------------------------|-----|------------------------------------------|------------------------|----|-----------|------------|-------------|----|---------------|--|--|--------------|
| 2006 | HOME GENERAL PLANNING & ADMINISTRATION | 272 | PLANNING AND ADMINISTRATION - HOME | 1555254 | 1 | Completed | 6/26/2008 | M05MC060543 | AD | \$32,461.80 | | | |
| | | | | 1555254 | 2 | Completed | 6/26/2008 | M06MC060543 | AD | \$51,238.50 | | | |
| | | | | 1555254 | 3 | Completed | 6/26/2008 | M07MC060543 | AD | \$7,211.06 | | | |
| | | | | 1555254 | 4 | Completed | 6/26/2008 | M03MC060543 | EN | \$196,812.11 | | | |
| | | | | 1555254 | 5 | Completed | 6/26/2008 | M04MC060543 | EN | \$426,432.75 | | | |
| | | | | 1555254 | 6 | Completed | 6/26/2008 | M05MC060543 | EN | \$354,342.70 | | | |
| | | | | 1555254 | 14 | Completed | 6/26/2008 | M96MC060543 | AD | \$46,211.36 | | | |
| | | | | 1555254 | 16 | Completed | 6/26/2008 | M06MC060543 | AD | -\$46,211.36 | | | |
| | | | | 5325866 | 1 | Completed | 9/17/2011 | M94MC060543 | EN | -\$500,000.00 | | | |
| | | | | 5325867 | 1 | Completed | 9/17/2011 | M95MC060543 | EN | -\$395,000.00 | | | |
| 2007 | AFFORDABLE HOUSING PROGRAMS AND PROJECTS | 304 | AFFORDABLE HOUSING PROGRAMS AND PROJECTS | 5325868 | 1 | Completed | 9/17/2011 | M96MC060543 | EN | -\$314,593.64 | | | |
| | | | | 5325868 | 2 | Completed | 9/17/2011 | M96MC060543 | AD | -\$90,911.36 | | | |
| | | | | Activity Total | | | | | | | | | \$0.00 |
| | | | | Project Total | | | | | | | | | 0.00 |
| | | | | 1358860 | 21 | Completed | 12/27/2006 | M02MC060543 | AD | \$13,403.36 | | | |
| | | | | 1358860 | 22 | Completed | 12/27/2006 | M03MC060543 | AD | \$8,346.64 | | | |
| | | | | 1386387 | 11 | Completed | 3/15/2007 | M03MC060543 | AD | \$18,750.00 | | | |
| | | | | 1416353 | 12 | Completed | 6/7/2007 | M03MC060543 | AD | \$10,739.00 | | | |
| | | | | Activity Total | | | | | | | | | \$51,239.00 |
| | | | | Project Total | | | | | | | | | 51,239.00 |
| 2008 | AFFORDABLE HOUSING PROGRAMS | 239 | AFFORDABLE HOUSING PROGRAMS AND PROJECTS | Program Year ### Total | | | | | | 51,239.00 | | | |
| | | | | Activity Total | | | | | | \$89,056.70 | | | |
| | | | | Project Total | | | | | | 89,056.70 | | | |
| | | | | Program Year ### Total | | | | | | 104,581.51 | | | |
| | | | | 1537323 | 6 | Completed | 5/8/2008 | M03MC060543 | EN | \$10,935.00 | | | |
| | | | | 1641854 | 11 | Completed | 2/18/2009 | M06MC060543 | EN | \$46,841.70 | | | |
| | | | | 1685716 | 7 | Completed | 6/17/2009 | M06MC060543 | EN | \$31,280.00 | | | |
| | | | | Activity Total | | | | | | | | | \$89,056.70 |
| | | | | Project Total | | | | | | | | | 89,056.70 |
| | | | | Program Year ### Total | | | | | | | | | 104,581.51 |
| 2008 | AFFORDABLE HOUSING PROGRAMS | 239 | AFFORDABLE HOUSING PROGRAMS AND PROJECTS | 1122756 | 18 | Completed | 3/17/2005 | M99MC060543 | PI | \$12,303.24 | | | |
| | | | | 1134950 | 15 | Completed | 4/21/2005 | M02MC060543 | EN | \$2,600.00 | | | |
| | | | | 1157941 | 13 | Completed | 6/23/2005 | M99MC060543 | PI | \$3,250.00 | | | |
| | | | | 1358860 | 15 | Completed | 12/27/2006 | M00MC060543 | PI | \$6,353.83 | | | |
| | | | | 1358860 | 16 | Completed | 12/27/2006 | M01MC060543 | PI | \$26,720.91 | | | |
| | | | | 1358860 | 17 | Completed | 12/27/2006 | M02MC060543 | PI | \$13,761.40 | | | |
| | | | | 1358860 | 18 | Completed | 12/27/2006 | M03MC060543 | PI | \$105,707.87 | | | |
| | | | | Activity Total | | | | | | | | | \$145,707.87 |
| | | | | Project Total | | | | | | | | | 145,707.87 |
| | | | | Program Year ### Total | | | | | | | | | 145,707.87 |

Exhibit F

EXHIBIT G

CITY OF MONTEBELLO
November 12, 1990

To : Honorable Mayor and Members of the City Council
From : Linda Payan, Director of Economic Development *LP*
Subject : Adoption of Parking Assessment District Resolution
and District Boundary Map

PROPOSAL

That the City Council approve the attached resolutions regarding the proposed boundary map and Resolution of Intention for the formation of a Parking Assessment District to serve properties fronting Whittier Boulevard located between 5th and 6th Street.

BACKGROUND

1. Economic Research Associates (ERA) completed a Revitalization Study identifying a need to improve additional off-street parking in the Whittier Boulevard corridor of the Montebello Economic Revitalization Project (MERP) area.
2. The October 1, 1987 earthquake damage was wide spread along the Whittier Boulevard corridor. The buildings along Whittier Boulevard between 5th and 6th Street that sustained damage are the north block properties of H. Marquez, 500 Whittier; Elks Lodge (504); P. Pace (510); R. Flores (516); M. Bullinger (520-522); L. Williams (526); and the south block properties of D. Cobian (501-505) and H. Layne (507). The south block properties that sustained minor damage were Y. Nercessian (509-511); R. Portillo (513-515) and Farshad Safaie-Kia (517-525).
3. Urgency Ordinance # 1934 adopted on January 11, 1988 requires owners to develop structural plans to bring buildings built before 1934 to current seismic standards. (Note: Ordinance number is coincidentally the same as the year date)
4. In December 1987, the Agency directed staff to pursue the formation of a parking district and to utilize the funds from the Commercial Improvement Program to accomplish this. At that time, it was determined that no new Commercial Improvement Program block participation would be initiated.
5. The proposed Parking Assessment District will be formed as one district to serve properties northerly and southerly of 500 Block Whittier Boulevard between 5th and 6th Street.
6. On July 11, 1988, Council authorized the execution of an agreement with Brown & Diven for legal services in connection with the proposed district formation. Since that time, the firm's name has been changed to Brown, Harper, Burns & Hentschke; however, the legal counsel assigned to this project has remained the same.

FACTS

1. During the past year, the property owners in this area have expressed an interest in renovating their existing buildings and rebuilding, in an effort to comply with current seismic standards. The changes proposed will further intensify the current parking deficiencies.
2. In an effort to alleviate the current and future parking deficiencies, a Parking Assessment District is proposed for this area.

3. Staff has conducted meetings with the property owners regarding their concerns on the parking assessment district. The concerns include the actual cost of assessment based on parking required of each owner, parking requirement per business, and conforming building to seismic standards.
4. Property owners on the southside, 501-505 Whittier Boulevard (D. Cobian) and 517-525 (Safaie-Kia), have agreed (in writing) to the parking district formation as part of their participation in the Commercial Improvement Program.
5. As part of the Parking Assessment District formation for the southside, the Agency has acquired the Cucchiarella property (114-116 South 6th Street) and final negotiations are continuing for the acquisition of A & S Fashions (112 South 6th Street).

The following acquisition of properties are necessary for the parking area on the northside: 114 and 116 North 6th Street (an existing parking lot and storage building for Rite-Loom Carpets), and 117 North 5th Street (residential tri-plex). The Elks property located at 113 and 115 North 5th Street will be part of the parking area. The Elks property is contingent on their ability to rebuild and their share of the assessment will be satisfied by dedicating the existing rear parking lot property to the parking district.
6. The proposed assessment parking district resolution will concentrate on the properties northerly and southerly of Whittier Boulevard between 5th and 6th Street.
7. The firm of Martin & Associates, parking assessment engineers, have prepared the proposed district boundary map with the assistance of legal counsel.

ANALYSIS AND CONCLUSION

The Assessment Engineers have estimated the cost of forming the Parking Assessment District at \$1,875,000; the Agency's share of 50% is \$937,000. The Agency's share will be funded from HCDA and the Montebello Economic Revitalization Project. The final cost of the Parking Assessment District will be known at the time acquisition and construction bids are received. Actual individual property owner costs will be available at that time. Current estimates for each additional parking space needed is \$699 per year, amortized 20 years at 9%.

The addition of a parking district along Whittier Boulevard as recommended by the ERA Revitalization Study will significantly improve this area and alleviate congestion on the adjacent parking district and off-street parking areas. With the Agency's financial participation, it has made the project more affordable to the individual property owners.

The formation of this Parking Assessment District will include the following items and actions:

- o Resolution adopting the Proposed Boundary Map. This resolution includes the map describing the boundaries of the area proposed to be assessed in the parking district assessment area.
- o Resolution of Intention. This resolution orders the preparation of an "engineer's report" which includes the plans and specifications of the parking district area and a description of the bonds to be issued as the financing for the project.
- o Resolution Accepting the "Engineer's Report" and setting the date of the protest hearing for the parking

assessment district formation which is anticipated to be held at the City Council meeting of December 11, 1990.

- o Notification of Property Owners regarding date and time of Protest Hearing. Property owners will be notified by certified mail as well as through a published notice.
- o Protest Hearing. The protest hearing is anticipated to be held at the City Council meeting of January 8, 1991.
- o Confirmation of Final "Engineer's Report" and setting date to receive the construction bids.
- o Order sale of bonds to finance the project and approval of construction contract.

The acquisition of the properties on the northside of Whittier Boulevard parking area will simultaneously take place during the time the above items are being completed. Properties for acquisition include 114 and 116 North 6th Street and 117 North 5th Street.

Assessment District legal counsel, along with Martin & Associates, parking district engineers, have recommended the formation of a single parking assessment district. The formation of a single district will reduce the cost to individual owners and provide an equitable solution in spreading the cost.

RECOMMENDATION

It is recommended that the City Council move to:

1. Approve the "Resolution Adopting Proposed Boundary Map" of the formation of the proposed parking assessment district serving the commercial properties along the Whittier Boulevard corridor between 5th and 6th Street.
2. Approve the "Resolution of Intention", the jurisdictional resolution setting forth the intention to acquire the lots and finance the acquisition through the issuance of bonds.

LP:LN:SY:ej
Enclosures
ref:boundary

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO
ADOPTING A MAP SHOWING THE PROPOSED BOUNDARIES OF A
SPECIAL ASSESSMENT DISTRICT

WHEREAS, the CITY COUNCIL of the CITY OF MONTEBELLO, CALIFORNIA, has been presented and has received a map showing and describing the boundaries of the area proposed to be assessed in an assessment district under the provisions and authority of the "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code of the State of California; said assessment district known and designated as ASSESSMENT DISTRICT NO. 7 (hereinafter referred to as the "Assessment District").

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY RESOLVE AS FOLLOWS:

1. That the above recitals are all true and correct.
2. That a map of the Assessment District showing the boundaries of the proposed Assessment District and lands and property to be assessed to pay the costs and expenses of the proposed improvements designated as "PROPOSED BOUNDARIES OF ASSESSMENT DISTRICT NO. 7" is hereby submitted, and the same is hereby approved and adopted.
3. That the original map of said proposed boundaries of the proposed assessment district and one copy thereof is to be filed in the office of the City Clerk.
4. A certificate shall be endorsed on the original and on at least one copy of the map of the Assessment District, evidencing the date and adoption of this Resolution, and within fifteen (15) days after the adoption of the Resolution fixing the time and place of hearing on the formation or extent of said Assessment District, a copy of said map shall be filed with the correct and proper endorsements thereon with the County Recorder, all in the manner and form provided for in Section 3111 of the Streets and Highways Code of the State of California.

PASSED AND ADOPTED THIS _____ DAY OF _____ 1990
BY THE FOLLOWING VOTE:

Edward C. Pizzorno, Mayor

ATTEST:

Mary Anne Saucedo
City Clerk

ref:park

EXHIBIT H

City of Montebello

November 12, 2003

To: Chairman and Agency Members

From: Ruben Lopez, Director of Community Development *R. Lopez*

Subject: Approval of a Memorandum of Understanding (MOU) with Huntington Park CHDO, Inc. in partnership with Westgate Group Inc. (Developer)

Recommendation:

Staff recommends that the Agency Board:

1. Approve the Memorandum of Understanding (MOU) with Huntington Park CHDO, Inc. in partnership with Westgate Group Inc. (Developer).
2. Authorize the Executive Director to execute the document.

Background:

1. Like most communities in Los Angeles County, the City of Montebello is faced with a growing demand for housing. The Southern California Association of Governments (SCAG) has identified in their Regional Housing Needs Assessment (RHNA) that the City of Montebello must produce a minimum of 562 new affordable to market rate housing units from 1998 to 2005. Infill housing projects like the one proposed help meet those needs.
2. The proposed Whittier Boulevard Revitalization Plan calls for the construction of a minimum of 300 residential units on or adjacent to Whittier Boulevard to bring back the economic vitality needed on Whittier Blvd.
3. The Redevelopment Agency has owned the 16,596 square foot vacant property at 112-116 South 6th Street since 1991.
4. The Developer is in escrow to acquire the 5,932 square foot property at 124 South 6th Street for \$420,000 which would increase the project site to 22,386.
5. The Redevelopment Agency has \$600,000 in HOME CHDO funds for affordable housing projects. These funds can only go to Community - based Housing Development Organizations (CHDO) to provide affordable housing, otherwise the funds must go back to HUD.
6. The Developer has shown interest in developing the properties with 25-28 residential condominiums.

The Proposal

The Redevelopment Agency would transfer title to the Agency owned property at 112-116 South 6th Street for \$1.00. The Agency would also contribute \$600,000 in HOME CHDO funds to the project. The funds can only be used for affordable housing projects or programs and can only go to non-profit organizations recognized by HUD as Community-based Housing Development Organizations.

The Developer would build 25-28 Two (2) bedroom/two (2) bath residential condominiums and required parking on the site. The Developer would reserve 20-25% of the units as affordable to moderate income families per HUD standards. The Developer would use \$420,000 of the HOME CHDO funds to purchase the property at 124 South 6th Street. The remainder of the HOME CHDO funds will provide assistance to moderate income 1st Time Buyers of the reserved units.

Upon approval of the MOU, the Agency would disburse funds to the Developer in the amount needed to close escrow on the property at 124 South 6th Street. The Agency owned property and remaining HOME funds would be disbursed subject to the terms of an Owner Participation Agreement (OPA) to be prepared and

Memorandum of Understanding

This Memorandum of Understanding (MOU) is made by and between the authorized representatives of the Redevelopment Agency of the City of Montebello, a Public Body, Corporate and Politic ("Agency") and Huntington Park CHDO, Inc., a Community Housing Development Organization in partnership with Westgate Group Inc., a California Corporation (Jointly "Developer"), said representatives collectively referred to herein as the "Parties".

Recitals:

The purpose of this MOU is to set forth an understanding between the parties as to the following:

- a. The Southern California Association of Governments (SCAG) has identified in their Regional Housing Needs Assessment (RHNA) that the City of Montebello must produce a minimum of 562 new affordable to market rate housing units from 1998 to the year 2005.
- b. The proposed Whittier Boulevard Revitalization plan calls for the construction of a minimum of 300 residential units on or adjacent to Whittier Boulevard to bring back the economic vitality needed on Whittier Boulevard.
- c. The Agency is the owner of that certain property located at 112-116 South 6th Street in the City of Montebello, County of Los Angeles, state of California.
- d. The developer is in escrow to purchase the property at 124 South 6th Street immediately adjacent to the Agency Parcel.
- e. The Developer has expressed an interest in developing the properties with a 25-28 unit residential condominium project.

Now, Therefore, in consideration of the mutual covenants and promises of the parties, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. The Montebello Redevelopment Agency will transfer title to the property at 112-116 South 6th Street for \$1.00 to the Developer for construction of 25-28 residential condominiums.
2. The Montebello Redevelopment Agency will contribute \$600,000 in HOME CHDO funds to the Developer for the condominium project.
3. The Developer will use \$420,000 of the HOME CHDO funds for purchase of the property (plus reasonable closing costs) at 124 South 6th Street. The remaining HOME CHDO funds will be used for assistance to 1st Time Home Buyers for 20-25% of the residential units.
4. The Developer will build 25-28 two bedroom/2 bath at market rate residential condominiums on the above mentioned properties.
5. The Developer will reserve 20-25% of the units affordable to low income families (cannot exceed 80% of median family income) income to 1st Time Buyers per the following HUD standards.
 - a) Affordable Housing - 24CFR 92.254
 - b) The housing cannot have the purchase price for the type of single family housing that exceeds 95% of the median price for the area.
6. Upon approval of this MOU, the Montebello Redevelopment Agency will disburse funds to the developer in the amount necessary to close escrow on the property at 124 So. 6th Street.
7. The Agency owned properties at 112-116 South 6th Street and remaining HOME CHDO funds will be released subject to the terms of an Owner Participation Agreement (OPA) with terms consistent with this MOU to be approved within (6) months of the date of this MOU or sooner by the Redevelopment Agency.
8. If an Owner Participation Agreement is not approved by the Redevelopment Agency within the six (6) month period, the Developer will transfer title to the property at 124 South 6th street to the Redevelopment Agency for \$1.00.

Woodward Manor

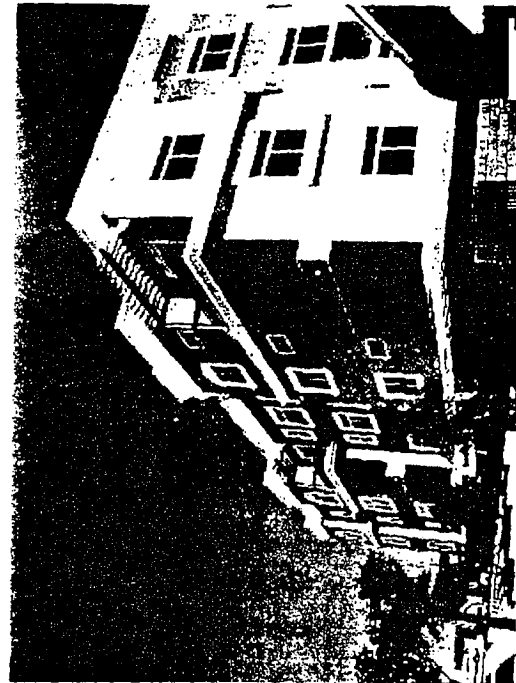
Senior Condominiums

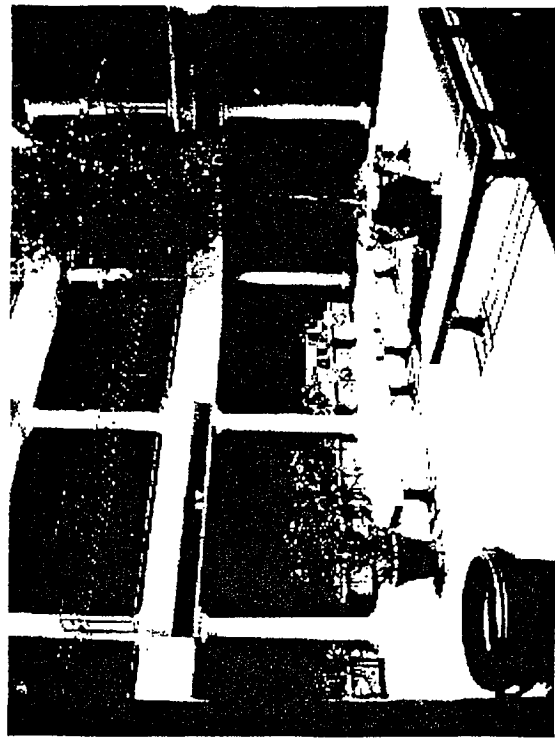
200 North Fifth Street, Alhambra, CA 91801

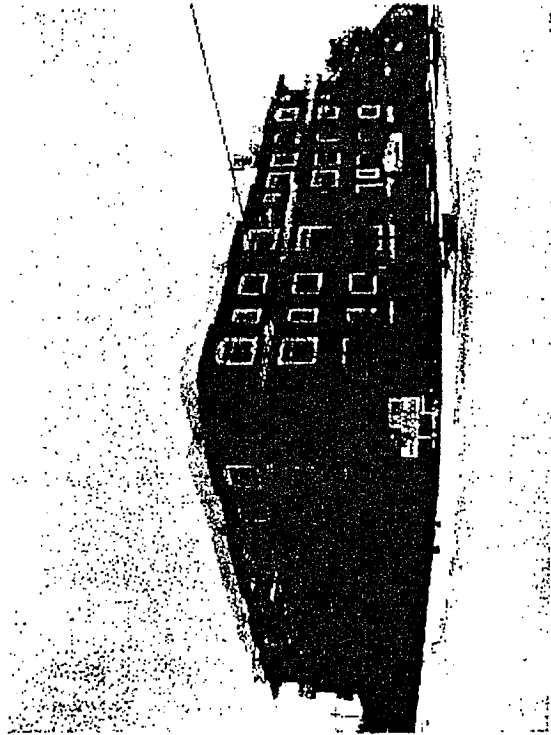
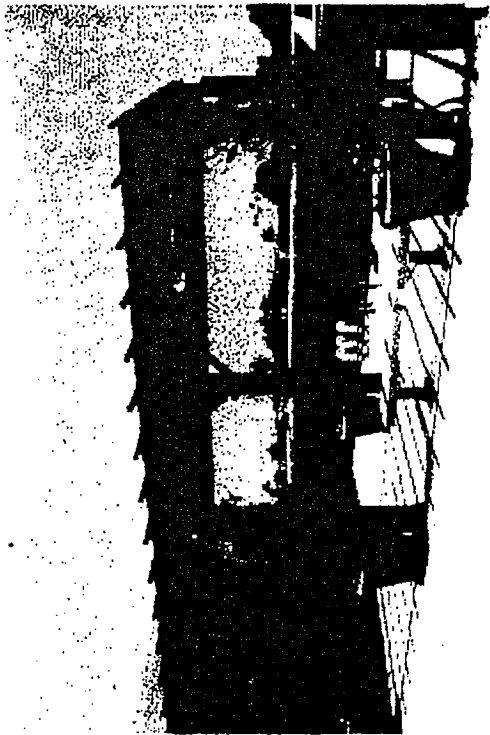
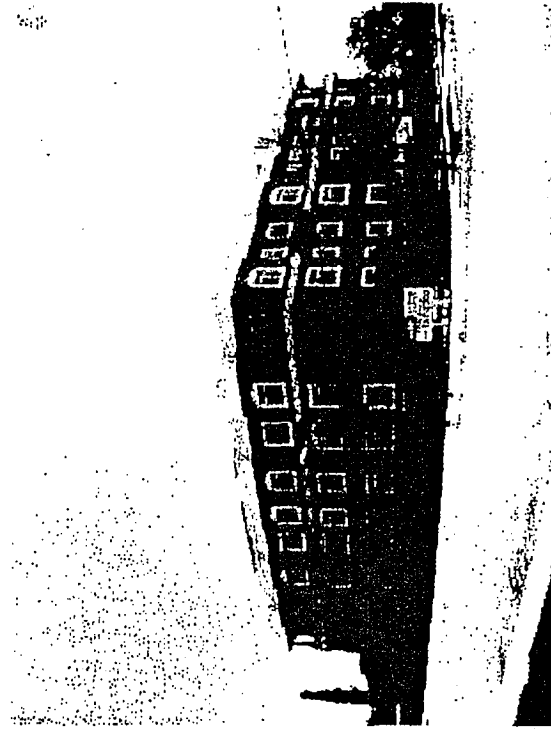
Coldwell Banker/George Realty is proud to present a brand new senior condominiums, Woodward Manor. It is located one block north of Main Street, at the corner of 5th Street and Woodward Avenue in Alhambra. Combined with European design, Woodward Manor blends luxury and contemporary style of living. Seniors will enjoy their tranquility, comfort, and safety. The breathtaking city views are unrivaled. Woodward Manor offers many conveniences such as close proximity to stores, banks, restaurants, theaters and the public transportation system.

Woodward Manor consists of 32 unit condominiums, offering 9 different floor plans. It features an atrium courtyard, a meeting/conference room, trellis on the rooftop, oversized windows, residential adaptability standard, ceramic tiled entryways, kitchens and bathrooms floors, wall-to-wall carpets, washer/dryer hookups and walk-in closets (on select units), balconies (on select units). There are 6 units are designated for the first time home buyer's program; 4 units are for low-income first-time buyers, 2 units are for moderate-income first time buyers. The program is in conjunction with City of Alhambra First Time Home Buyer's Program. Age requirement is 62 years old or older.









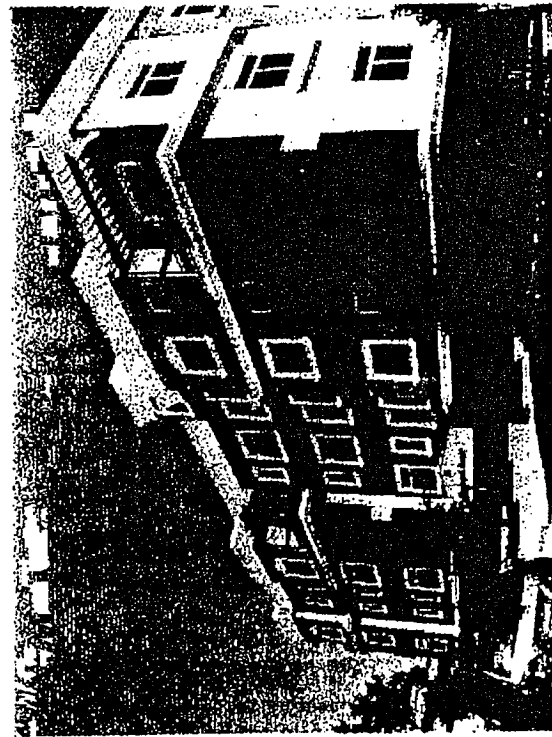
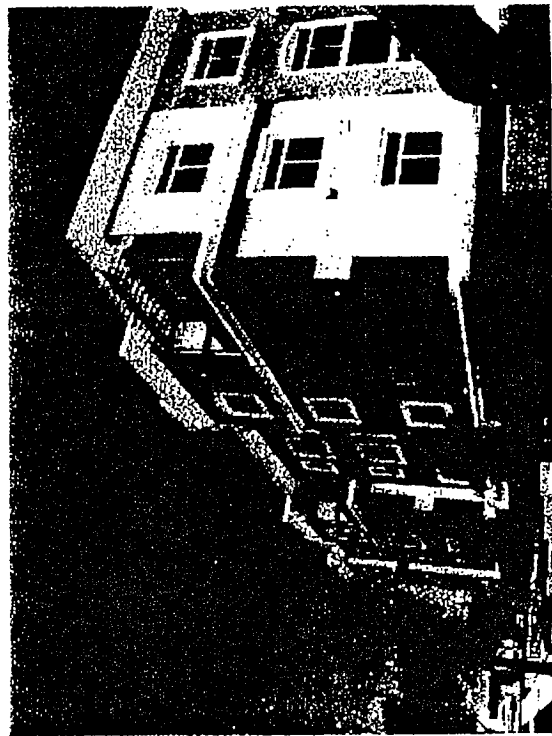
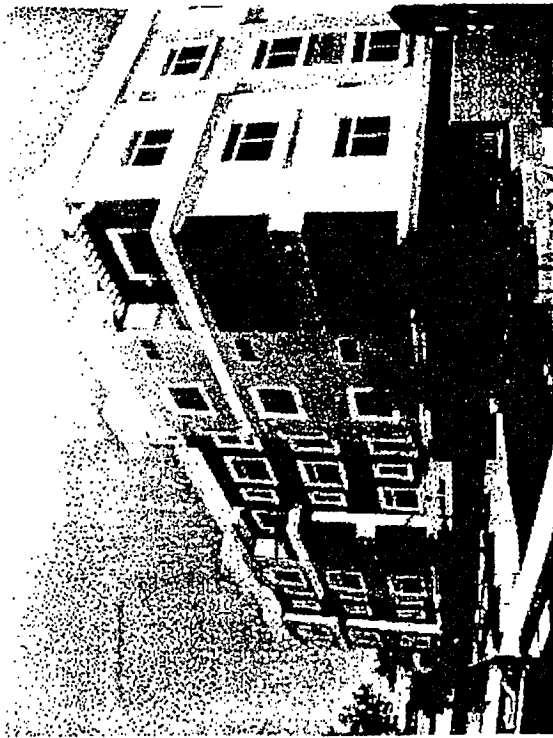


EXHIBIT I

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is entered into as of October __, 2006, by and among the Community Redevelopment Agency of the City of Montebello, a public agency and instrumentality of the City of Montebello ("Agency") and the City of Montebello, a municipal corporation ("City"), on the one hand, and Westgate Group, Inc., a California corporation ("Westgate") and Woodward III, LLC, a California limited liability company ("Woodward"), on the other hand. The Agency, City, Westgate, and Woodward are each individually sometimes referred to as "Party" and collectively as the "Parties".

RECITALS

A. On November 13, 2003, the Agency entered into a Memorandum of Understanding with Westgate ("MOU"), pursuant to which Agency provided \$464,106.21 to Westgate for the purchase of that certain real property commonly known as 124 S. 6th Street in the City of Montebello, California, a legal description of which is attached hereto as Exhibit "A" ("Property"). Title to the Property was vested in Woodward as Westgate's designee.

B. The purpose of the MOU was to set forth certain terms and conditions pursuant to which Westgate would develop a project for the construction of 25-28 two bedroom/two bath residential condominiums on the Property and the adjacent property owned by Agency ("Project"), a portion of which units would be reserved and priced for low income families. Although Westgate has completed architectural plans and designs for the Project, the Project has not yet commenced and Woodward currently leases the existing structure on the Property pursuant to the lease agreements which are attached hereto as Exhibit "B" ("Leases").

C. The MOU contemplated the execution of an owner participation agreement between Agency and Westgate ("OPA"), which OPA was never finalized.

D. The Parties became involved in a dispute concerning the Project and the ownership of the Property following the failure to adopt the OPA , which dispute resulted in the

filing of a complaint and cross-complaint in the Superior Court of the County of Los Angeles as Redevelopment Agency of the City of Montebello v. Westgate Group, inc., et. al., Case No. BC 339799 ("Case").

E. The Parties now desire to settle all matters set forth in the Case, including without limitation, all matters concerning the performance of the MOU, the ownership of the Property and the Project and the failure of the Parties to enter into an OPA (collectively, the "Claims"), on the terms and conditions set forth herein. Nothing in this Agreement shall be construed as an admission of any kind by any Party for any purpose whatsoever.

AGREEMENT AND RELEASE

NOW, THEREFORE, in consideration of the mutual undertakings and promises set forth herein THE PARTIES AGREE AS FOLLOWS:

1. Recitals. The Recitals are incorporated into and are a part of this Settlement \ Agreement.

2. Settlement. In full and complete settlement of the Claims, the Parties agree to enter into the following transactions:

(a) Agency shall purchase the Property from Woodward for the sum of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) ("Purchase Price") and Woodward agrees to transfer the Property to Agency in accordance with the terms of this Agreement.

(b) In addition to the transfer of the Property, Woodward shall assign to Agency all of its right, title and interest in the Leases.

(c) Agency shall reimburse Westgate for One Hundred Twenty-Five Thousand Dollars (\$125,000.00) ("Cost Reimbursement") in third party costs and expenses associated with the preparation of architectural plans, designs, reports, assessments and other

documentation, whether in tangible or intangible form, concerning the Property and the Project ("Project Documentation"), and on the Closing Date, Westgate and Woodward shall (i) assign all of their respective interests in the Project Documentation to Agency; and (ii) deliver all copies of the Project Documentation and files and data files related to the Project Documentation which are in the possession of Westgate and Woodward to Agency. Westgate has provided documentation to support the Cost Reimbursement and City has accepted same.

(d) The purchase of the Property shall take place through an escrow opened with Chicago Title Company ("Escrow"). Agency shall obtain a preliminary title report for the Property from Escrow as soon as practicable following the execution of this Agreement. Subject to the fulfillment of all of the conditions to closing set forth herein, the Escrow shall close no later than thirty (30) days from the execution of this Agreement ("Closing Date"). All current taxes and assessments on the Property shall be prorated between Woodward and Agency as of the Closing Date. Any delinquent taxes and assessments on the Property as of the Closing Date shall be paid by Escrow out of the proceeds of the Purchase Price. All normal and customary escrow fees and costs shall be paid by Agency. Agency shall pay all costs of recording and all documentary transfer taxes in connection with the transfer of the Property. All costs, fees and expenses allocated to Agency hereunder shall be deducted by Escrow from the proceeds of the Purchase Price. All costs, fees and expenses allocated to Agency shall be deposited by Agency, together with the Purchase Price and the Cost Reimbursement, no later than three (3) days prior to the Closing Date. There shall be no broker or sales agent fee or commission in connection with the transfer of the Property.

(e) The transfer of the Property shall be by grant deed vesting title in fee simple to the Property in Agency. Except for current liens for property taxes and assessments not yet due, title shall be free and clear of any liens, encumbrances or easements that have been placed on the Property since the date of its acquisition by Woodward, unless Agency approves any such liens, encumbrances or easements in writing. Any monetary liens or encumbrances on the Property as of the Closing Date shall be paid by Escrow out of the proceeds of the Purchase Price. Agency shall have the right to obtain an ALTA standard owner's policy of title insurance

for the Property showing title vested in Agency as set forth above, provided, however, that Agency shall pay all premiums and costs associated with such title policy.

(f) Woodward represents, warrants and covenants to Agency that the following shall be true and correct as of the date of this Agreement and the Closing Date: (i) Woodward is the owner of the Property in fee simple and has not granted any option, participation or other interest in the Property or the Project to any third party or entered into any agreement that would conflict with or prevent the transfer of the Property to Agency; and (ii) a true and correct copy of the Leases has been attached to this Settlement Agreement as Exhibit "B" and Woodward has not entered into any oral or written modification of the Leases.

(g) Westgate represents, warrants and covenants to Agency that the following shall be true and correct as of the date of this Agreement and the Closing Date, Westgate has not granted any participation or other interest in the Project to any third party and has not entered into any agreement that would conflict with the obligations of Westgate set forth herein.

(h) The following shall be conditions to the close of Escrow and the implementation of this Agreement: (i) Agency shall have reviewed and approved title to the Property in accordance with Section 2(e); (ii) the representations, warranties and covenants of Westgate and Woodward shall be true and correct; (iii) Agency shall have deposited into Escrow the Purchase Price, the Cost Reimbursement and the fees and costs described in sub-section (d) and (e) above.

3. **Attorneys' Fees.** Each party shall bear its own attorneys' fees and costs incurred in connection with the Claims and all judicial and non-judicial proceedings settled by this Agreement.

4. **Release.** Except for the enforcement of the obligations described in this Agreement, the Parties, on behalf of themselves and their respective public officials, shareholders, present and former officers, directors, agents, equity holders, employees, attorneys, representatives, assigns, successors-in-interest, trusts, partnerships, controlling persons, parent

corporations and affiliates, subsidiaries and joint ventures hereby releases and forever discharges each other Party and their respective public officials, shareholders, present and former officers, directors, agents, equity holders, employees, attorneys, representatives, assigns, successors-in-interest, trusts, partnerships, controlling persons, parent corporations and affiliates, subsidiaries and joint ventures from any and all claims, causes of action, actions, damages, losses, demands, accounts, reckonings, rights, debts, liabilities, obligations, disputes, controversies, payments, costs and attorneys' fees, of every kind and character, known or unknown, existing or contingent, latent or patent, arising from the matters alleged in or related to the Claims and all judicial proceedings settled by this Agreement.

5. **Mutual Release of Unknown Claims.** Except as provided in this Agreement, the Parties hereby acknowledge and expressly waive the provisions of California Civil Code section 1542, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties recognize, acknowledge, and agree that they have been advised as to the significance and legal effect of the waiver of their rights under Section 1542 of the Civil Code. The Parties further acknowledge and agree that they are aware that they may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to any claims they may have arising from or related to the Case, but that nonetheless, it is the intention of each party to fully, finally, and forever settle and release all claim arising from or related to the Case, whether known, unknown, fixed, contingent, suspected, unsuspected, or otherwise

6. **No Prior Assignment.** The Parties represent and warrant that they have not assigned or transferred, or purported to assign or transfer, and shall not hereafter assign or transfer, any obligations, liabilities, demands, claims, costs, expenses, debts, controversies, damages, actions, or causes of action released pursuant to this Agreement.

7. **Advice of Counsel.** The Parties, and each of them, acknowledge that this Agreement has been explained to them by counsel of their choice; that they are aware of the content and legal effect of this Agreement; that they are acting on the advice of counsel of their choice; and that they are not relying on any representations made by any other Party or any of the employees, agents, representatives, or attorneys of any other Party, or any of them, except as expressly set forth in this Agreement.

8. **Further Assurances.** The Parties agree to take any action or execute any document as may be reasonably necessary to finalize and perform this Agreement.

9. **Severability.** Should any term of this Agreement be deemed unlawful, that provision shall be severed and the remaining terms shall continue to be valid and fully enforceable.

10. **Authority.** The signatories to this Agreement represent and warrant that they have the authority to enter into this Agreement and bind the Parties and their successors in interest.

11. **Amendment.** No modification of this Agreement shall be valid unless in writing signed by all of the Parties or their attorneys. The Parties shall not be bound by any representation, warranty, promise, statement or information, unless it is specifically set forth in this Agreement.

12. **Waiver.** The failure of any Party to insist upon strict observance of, or compliance with, all of the terms of this Agreement in one or more instances, shall not be

deemed to be a waiver of that Party's right to insist upon such observance or compliance with the other terms of this Agreement.

13. **Binding Effect.** This Agreement shall bind and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the Parties to this Agreement.

14. **Governing Law.** This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California.

15. **Construction.** This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties.

16. **Notices.** Notices under this Agreement shall be provided via facsimile and overnight delivery as follows:

Agency/City: Community Redevelopment Agency
City of Montebello
Attn: Richard Torres
1600 W. Beverly Blvd.
Montebello, CA 90640
Facsimile: (323) 887-1410

with a copy to: Piero Dallarda, Esq.
Best Best & Krieger LLP
P.O. Box 1028
3750 University
Riverside, CA 92502
Facsimile: (951) 686-3083

Westgate/Woodward: Mr. Frank Liu
c/o Gate West Construction, Inc.
3355 Motor Avenue
Los Angeles, CA 90034
Facsimile: (310) 838-5654
Phone: (310) 837-9908, ext. 106

with a copy to: Perry Mosciaro, Esq.
Cox Castle & Nicholson LLP
2049 Century Park East, 28th Floor
Los Angeles, California 90067
Facsimile: (310) 277-7889

The foregoing addresses may be changed by written notice.

17. **Attorneys' Fees.** Should an action be brought to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs incurred in prosecuting the action.

18. **No Admission of Liability.** In the event this Agreement fails to become effective, nothing in this Agreement shall constitute, be deemed to be, or be used by any Party as an admission of any kind for any purpose whatsoever.

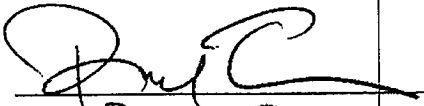
19. **Counterparts.** This Agreement may be executed in faxed counterparts and when so executed by the Parties, this Agreement will be binding upon them and each counterpart will constitute an original document.

20. **Termination.** Either Party may terminate this Agreement in the event that Escrow does not close on or before the Closing Date as a result of the breach of the obligations of the other Party.


[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

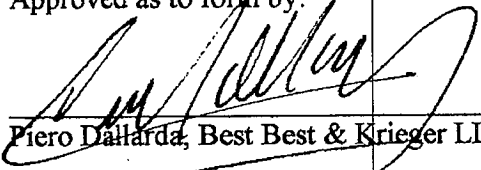
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MONTEBELLO

By: 
Name: RICHARD TORRES
Title: EXECUTIVE DIRECTOR

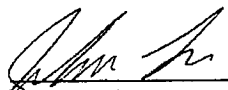
THE CITY OF MONTEBELLO

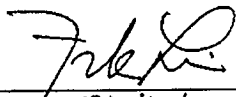
By: 
Name: RICHARD TORRES
Title: CITY ADMINISTRATOR

Approved as to form by:


Piero Dallarda, Best Best & Krieger LLP

WESTGATE GROUP, INC.,
a California corporation

By: 
Name: John Liu
Title: President

By: 
Name: FRANK LIU
Title: Secretary

WOODWARD III, LLC,
a California limited liability company

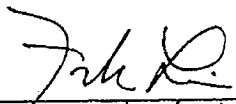

By: 
Name: FRANK LIU
Title: MANAGING MEMBER

EXHIBIT J

CITY OF MONTEBELLO
December 27, 2006

TO: Honorable Mayor and Members of the City Council

FROM: Ed Ferraro, Interim Director of Community Development 

SUBJECT: Authorization to utilize Federal Home Funds for the purchase of Agency property at 112-114 south 6th Street in conjunction with the Downtown Whittier Boulevard Revitalization project.

REQUEST

The City Council is requested to:

- Authorize staff to retain consultant(s) to assist with the analysis and design of a multi-family housing project and/or a parking structure for the Downtown Whittier Boulevard Revitalization District; and
- Authorize staff to purchase an appraisal for the two vacant Agency's parcels on 112-114 South 6th street and acquire the two vacant parcels with federal HOME funds that will supplement Agency revenue.

BACKGROUND

On October 11, 2006, City Council approved the housing guidelines allowing for the implementation of providing safe and decent housing as indicated in the City's *Housing Element of the General Plan* and the *2005-2010 Five Year Consolidated Planning Document (CPD)*. These guidelines were designed to address the housing needs of extremely low, low and moderate-income households within the community, in accordance HUD's goals of addressing decent housing needs, providing a suitable living environment, and expanding economic opportunities. Specifically, the housing guidelines allow for the acquisition of residential site(s) suitable for the production of housing available to persons and families earning less than 80% of the median family income.

The City of Montebello has developed, and adopted target revitalization areas in the southern portion of the City. The targeted portion of the City include the *Lohart Revitalization Area*, the *Greenwood Revitalization Area* and the *Whittier Boulevard Revitalization Plan*. These targeted areas have been submitted to the Department of Housing and Urban Development (HUD) and received federal funding. The City Council has annually approved funding through both the CDBG, HOME, CalHFA, Redevelopment 20 percent Housing Set-Aside and Brownsfield funds to assist with the revitalization efforts.

The City Council, at the May 10, 2006, meeting, approved a HOME allocation in the *Fiscal Year 2006-2007 Annual Action Plan* for Property Acquisition and Rehabilitation Program in the amount of \$1,684,288 to acquire property that will produce affordable housing. All proposed projects must be in compliance with the statutory and regulatory requirements of the HOME Program, approved by Congress under Title 24 – Housing and Urban Development, CFR, Part 92.

DEC 27 2006

Exhibit J, Page 1

Agenda Item No. 10

FISCAL IMPACT

The City has exceeded its timeliness requirement for the commitment and expenditure of HOME funds and is at risk of losing funds allocated, pending notification from HUD. The cost to acquire two separate parcels would reduce the risk of loss of federal funds.

HOME funds that will be used to purchase 112-114 S. Sixth Street will supplement Agency revenue.

HOME funds have been used to purchase 124 S. Sixth Street for a housing project. This property will also be included in the development analysis. Thus, making all parcels subject to the Federal Home guidelines.

ANALYSIS

The City of Montebello spent approximately \$8.5 million in HUD funding (\$6.5 million Section 108 loan/\$2.0 million BEDI grant) awarded to the City for the Whittier Boulevard Streetscape Project and allocated another \$1.8 million dollars in tax increment funding for the Business Assistance Program. The Economic Development Five Year Implementation Plan includes the requirement for the development of approximately 300 housing units, as required for the 20 Percent Housing Set-Aside funds and to demonstrate that agencies are complying with the requirements for inclusive and replacement housing as stated in California Redevelopment Law.

The two parcels, consisting of 16,730 square feet, are located on 112-114 South 6th Street and located south of the Whittier Boulevard Streetscape Project. Current businesses in the 300-foot radius include the 99-cent store, April's Cakes, IREN Real Estate, Jasmine's Flowers. Parcels located to the south and adjacent to the site consist of residential single and duplex residential housing parcels. The two parcels are zoned C-2 and would need to be rezoned for residential. However, both parcels are located in a redevelopment project area and are part of the Whittier Boulevard Overlay District that would allow housing in the downtown district when adopted.

Consideration would also be given to building a parking structure in the downtown area that would help alleviate parking concerns from the local merchants and attract new businesses to the downtown area. The need for parking along the Whittier Boulevard Streetscape Project and the requirement to produce housing as part of the Whittier Boulevard Revitalization Plan is in compliance with the statutory and regulatory requirements of the HOME Program, making this an ideal site for a multi-family and/or parking structure. The site is expected to produce approximately 30 parking stalls for the Commercial District and produce approximately 20-25 units.

RECOMMENDATION

It is staff's recommendation that the City Council:

- Authorize staff to retain consultant(s) to assist with the analysis and design of a multi-family housing project and/or a parking structure for the Downtown Whittier Boulevard Revitalization District; and
- Authorize staff to purchase an appraisal for the two vacant Agency's parcels on 112-114 South 6th street and acquire the two vacant parcels with federal HOME funds that will supplement Agency revenue.

EXHIBIT K

AGREEMENT 2348 A

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (Agreement) is entered into as of December 27, 2006 between the City of Montebello Community Redevelopment Agency (Seller) and the City of Montebello (Purchaser).

005

Recitals

A. Seller is the owner of that certain real property (Real Property) located at 112 South 6th Street, Montebello, CA 90640 (APN 6349-005-901) and 114 South 6th Street, Montebello, CA 90640 (APN 6349-005-900) more particularly described in the attached Exhibit A. The Real Property and the Improvements shall collectively be referred to in this Agreement as the Property.

B. Purchaser desires to purchase the Property, and Seller desires to sell the Property on the terms and conditions in this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

Section 1. Purchase and Sale.

Subject to the terms and conditions in this Agreement, Seller agrees to sell and Purchaser agrees to purchase the Property.

Section 2. Purchase Price.

The purchase price for the Property shall be determined by appraisal, payable by Purchaser to Seller as follows:

(a) The sum of \$950,000 Dollars (\$425,000) (First Deposit) on execution of this Agreement by Purchaser, evidenced by a check payable to Chicago Title Company (Title Company) and delivered to Title Company and Seller concurrently with this Agreement.

(b) The balance of the purchase price on Close of Escrow as provided in this Agreement.

Section 3. Escrow.

An escrow shall be opened to consummate the sale of the Property pursuant to this Agreement at the office of Title Company at Chicago Title Company within five (5) days from Seller's acceptance of this Agreement. The parties shall deliver signed instructions to escrow within thirty (30) days of Seller's acceptance. The instructions shall not modify or amend this Agreement; provided, however, that the parties shall execute any additional instructions requested by escrow in a manner consistent with the Agreement. All amounts deposited by Purchaser with Title Company are to be held in escrow in an interest-bearing account with interest credited to Purchaser. Unless the parties otherwise mutually agree in writing to an extension, the escrow shall close (Close of Escrow), the Property shall be transferred, and the Purchase Price paid no later than ninety days from opening of escrow.

Section 4. Conditions of Escrow.

(a) Purchaser's Conditions. The Close of Escrow and Purchaser's obligation to purchase the Property pursuant to this Agreement are conditioned on:

(i) The delivery by Seller to Purchaser of a preliminary report on the Property, together with copies of all documents referred to in the report (collectively, Preliminary Report) and copies of any effective leases, rental agreements, or any other agreements which are to remain in effect after Purchaser takes title. Purchaser shall have fifteen (15) days from receipt of the Preliminary Report to report in writing any valid objections to it. Any exceptions to title to the Property shown on the Preliminary Report shall be deemed to have been accepted by Purchaser unless objected to in writing by Purchaser to Seller within fifteen (15) days. If Purchaser objects to any exceptions to the title to the Property, and the exceptions are not removed before the Close of Escrow, all rights and obligations under this Agreement may, at the election of the Purchaser, terminate, and the Deposit shall be returned to Purchaser, unless Purchaser elects to purchase the Property subject to the exceptions.

(ii) The conveyance to Purchaser of title to the Property, as evidenced by a standard form California Land Title Association (CLTA) title insurance policy, in the full amount of the purchase price, issued by Title Company, subject only to the exceptions approved by Purchaser pursuant to Section 4(a)(i).

(iii) Purchaser's review and approval, within thirty (30) days of Seller's acceptance of this Agreement, of zoning, soil conditions, geology, engineering requirements, governmental requirements, and other matters affecting Purchaser's proposed

development of the Property. If Purchaser does not approve of any of the previous matters affecting the Property, Purchaser shall so notify Seller in writing within the thirty (30) day period. If Purchaser does not so notify Seller within the thirty (30) days, then all these matters shall be deemed approved.

Should any of the conditions specified in Section 4(a) fail to occur before the Close of Escrow, Purchaser shall have the right, exercisable by the giving of written notice to the escrow agent and to Seller, to cancel the escrow, terminate this Agreement, and recover any amounts paid by Purchaser to Seller or to the Title Company on account of the Purchase Price. The exercise of this power by Purchaser shall not, however, constitute a waiver by Purchaser of any other rights Purchaser may have against Seller for breach of this Agreement.

(b) Seller's Conditions. The Close of Escrow and Seller's obligation to sell the Property pursuant to this Agreement are conditioned on the performance by Purchaser of each obligation under this Agreement, including, without limitation, Purchaser's obligations to make payments described in Section 2 within the time periods designated. Should these conditions fail to occur, then Seller shall have the right, exercisable by the giving of written notice to Title Company and to Purchaser, to cancel the escrow and terminate this Agreement.

Section 5. Prorations.

At the closing, Title Company shall make the following prorations:

(a) Property taxes, if any, shall be prorated as of the Close of Escrow, including any additional property taxes, which may be assessed after Close of Escrow, pertaining to the period prior to transfer of title to Purchaser, regardless of when notice is delivered, or who receives the notice.

(b) Any bond or assessment that is a lien, determined as of the Close of Escrow, shall be assumed by Purchaser at the Close of Escrow.

Section 6. Brokers' Commissions.

Seller and Purchaser each warrant to the other that no person or entity can properly claim a right to a commission, finder's fee, or other compensation with respect to the transaction contemplated by this Agreement.

Section 7. Expenses of Escrow.

The expenses of the escrow described in this Section shall be paid in the following manner:

(a) The full cost of securing the title insurance policy described in Section 4(a)(ii) shall be paid by Purchaser.

(b) The cost of preparing, executing, and acknowledging any deeds or other instruments required to convey title to Purchaser in the manner described in Section 4(a)(ii) shall be paid by Seller.

(c) The cost of recording a grant deed required to convey title to the Property to Purchaser as described in Section 4(a)(ii) of this Agreement shall be paid by Purchaser.

(d) Any tax imposed on the conveyance of title to the Property to Purchaser or his nominee under the Documentary Transfer Tax Act shall be paid by Seller.

(e) Any escrow fee charged by the escrow agent in addition to the cost of the title insurance policy required by this Agreement shall be paid by the Purchaser.

Section 8. Control of Property During Escrow.

Purchaser, or persons designated by Purchaser, shall have the right at all reasonable times to enter on the Property for the purpose of conducting those soil tests, surveys, and studies as Purchaser may require to ascertain the suitability of the Property for Purchaser's purposes. Purchaser shall repair and replace any damage to the Property caused by any entry on the Property by Purchaser or any persons designated by Purchaser. Purchaser shall also indemnify and hold Seller harmless against any claims arising from Purchaser's or Purchaser's designated persons' entry on the Property, and against all costs, expenses, and liabilities incurred in or in connection with any claim or proceeding brought on a claim, including, but not limited to, attorney fees and court costs.

Section 9. Disclaimer of Representations and Warranties by Seller.

(a) There are no representations, agreements, arrangements, or circumstances, oral or written, between the parties relating to the subject matter contained in this Agreement that are not fully expressed in the Agreement, and Seller has not made and does not make any representation or warranty concerning any matter or thing affecting or relating to the Property not expressed in this Agreement.

(b) Purchaser warrants that Purchaser is a sophisticated owner and developer of real property, familiar and experienced with requirements for the development of real property. Purchaser has examined the Property, is familiar with its physical condition, and accepts the Property in an as is condition. Seller has not made and does not make any representations as to the physical condition of the Property.

(c) Purchaser has conducted or will conduct an independent investigation with respect to zoning and subdivision laws, ordinances, resolutions, and regulations of all governmental authorities having jurisdiction over the Property, and the use and improvement of the Property, and Seller has not made representations to Purchaser on any of these matters.

Section 10. Destruction.

In the event of any damage or other loss to the Property prior to the Close of Escrow, Purchaser shall not be entitled to terminate this Agreement, but shall be obligated to close the escrow and purchase the Property as provided in this Agreement, without abatement in the Purchase Price; provided that Seller shall assign to Purchaser at the Close of Escrow all monies to be paid by Seller's insurer in connection with the damage or loss, and all claims for monies payable from Seller's insurer in connection with the damage or loss.

Section 11. Assignment.

This Agreement shall not be assigned by Purchaser without the prior written approval of Seller.

Section 12. Notices.

All notices to be given under this Agreement shall be in writing and delivered to the other party.

Section 13. Attorney Fees.

If either party commences an action against the other to enforce this Agreement, or because of the breach by either party of this Agreement, the prevailing party in this action shall be entitled to recover attorney fees and costs incurred in connection with the prosecution or defense of this action, including any appeal of the action, in addition to all other relief. Prevailing party within the meaning of this Section shall include, without limitation, a party who successfully brings an action against the other party for sums allegedly due or performance of covenants allegedly breached, or that party who obtains substantially the relief sought in the action.

Section 14. Entire Agreement.

This instrument contains the entire agreement of the parties; any previous understandings of the parties regarding the subject matter of this Agreement are expressly declared void and are superseded by this Agreement.

Section 15. Counterparts.

This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all taken together shall constitute one and the same instrument. The execution of this Agreement is deemed to have occurred, and this Agreement shall be enforceable and effective only on the complete execution of this Agreement by the parties.

Section 16. Severability.

If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

Section 17. Waivers.

A waiver or breach of a covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.

Section 18. Construction.

Headings at the beginning of each section and subsection are solely for the convenience of the parties and are not a part of and shall not be used to interpret this Agreement. The singular form shall include plural and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits referred to in this Agreement are attached to it and incorporated to it by this reference.

Section 19. Governing Law.

This Agreement shall be governed and construed in accordance with California law.

The parties have executed this Agreement as of the date first written above.


Seller

City of Montebello
Community Redevelopment Agency

By:


NORMA LOPEZ REID
Chairman

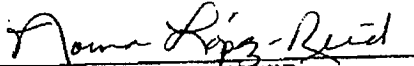
Approved as to form:


JOHN P. PRINGLE
Interim Agency Counsel

Purchaser

City of Montebello

By:


NORMA LOPEZ REID
Mayor

Approved as to form:



JOHN P. PRINGLE
Interim City Attorney

EXHIBIT L

CITY OF MONTEBELLO
Redevelopment Agency
March 12, 2008

TO: Honorable Chairman and Members of the Redevelopment Agency

FROM: Michael A. Huntley, Director of Community Development

SUBJECT: A scheduled matter to convey Agency owned property located at 124 S. 6th Street to the City of Montebello through a Quit Claim Deed.

PROPOSAL

A Resolution of the Community Development Agency ("Agency") of the City of Montebello authorizing the conveyance of the property located at 124 S. 6th Street to the City of Montebello ("City") through a Quit Claim Deed as it relates to the Agency's interest in the Woodward/Westgate property.

ANALYSIS

During the drafting of the Settlement Agreement between the Agency and Woodward III, LLC (Westgate Group, Inc.), it had been mistakenly assumed that Agency funds were used to purchase the property commonly known as 124 S. 6th Street in the City of Montebello. On November 29, 2007, due to this miscommunication, Woodward III, LLC mistakenly granted the property at 124 S. 6th Street to the Agency instead of the City. The City, not the Agency, had actually provided its federal HOME funds to initially purchase the property at 124 S. 6th Street and as such, the property should have reverted back to the City. Agency staff caught this error in title and wishes to correct this error by properly conveying the property to the City, in accordance with the terms and conditions set forth in the quitclaim deed attached to the Resolution and included with this staff report.

SUMMARY/CONCLUSION

Staff is requesting that the Agency authorize the conveyance of the property located at 124 S. 6th Street to the City of Montebello through a Quit Claim Deed as it relates to the Agency's interest in the Woodward/Westgate property.

During the drafting of the Settlement Agreement between the Agency and Woodward III, LLC, it had been mistakenly assumed that Agency funds were used to purchase the property at 124 South 6th Street in the City of Montebello. Due to this error, Woodward III, LLC mistakenly granted the property at 124 S. 6th Street to the Agency instead of the City. The City, not the Agency, had provided its federal HOME funds to initially purchase the property at 124 S. 6th Street and as such, the property should have

reverted back to the City. Agency staff caught this error in title and wishes to correct this error by properly conveying the Property to the City.

RECOMMENDATION

Pending Agency discussion on this matter, staff recommends that the Redevelopment Agency:

Approve the attached Resolution authorizing the conveyance of the Property to the City pursuant to the terms and conditions set forth in the Quitclaim Deed.

ATTACHMENT

Resolution approving the property transfer

EXHIBIT M

CITY OF MONTEBELLO
June 25, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Michael Huntley, Director of Community Development

SUBJECT: Authorization to designate \$1.3 Million in Federal HOME Program Funds toward the acquisition and/or development of vacant land to produce affordable housing at 112 and 114 South Sixth Street, including the adjacent alley, in conjunction with the Montebello Economic Revitalization Project Area.

REQUEST

- The City Council is requested to authorize staff to open escrow earmarked for the acquisition and/or development of a multi-family housing project, subject to HOME Program affordability requirements, on vacant land at 112 and 114 South Sixth Street (including the adjacent alley), and to deposit the \$1,300,000 HOME funds into the escrow to assist the project.
- To adopt the resolution designating \$1,300,000 in Federal HOME Program Funds for the acquisition and/or development of vacant land to produce affordable housing at 112 and 114 South Sixth Street (including adjacent alley)

BACKGROUND

On October 11, 2006, City Council approved the housing guidelines allowing for the implementation of providing safe and decent housing as indicated in the City's ***Housing Element of the General Plan*** and the ***2005-2010 Five Year Consolidated Planning Document (CPD)***. These guidelines were designed to address the housing needs of extremely low, low and moderate-income households within the community, in accordance HUD's goals of addressing decent housing needs, providing a suitable living environment, and expanding economic opportunities. Specifically, the housing guidelines allow for the acquisition of residential site(s) suitable for the production of housing available to persons and families **earning less than 80%** of the median family income.

The City of Montebello has developed, and adopted target revitalization areas in the southern portion of the City. The targeted portion of the City include the *Lohart Revitalization Area*, the *Greenwood Revitalization Area* and the *Whittier Boulevard Revitalization Plan*. These targeted areas have been submitted to the Department of Housing and Urban Development (HUD) and received federal funding. The City Council has annually approved funding through the CDBG,

JUN 25 2008

HOME, CalHFA, Redevelopment 20 percent Housing Set-Aside and Brownfield funds to assist with revitalization efforts.

The City Council, at the May 10, 2006, meeting, approved a HOME allocation in the ***Fiscal Year 2006-2007 Annual Action Plan*** for Property Acquisition and Rehabilitation Program in the amount of \$1,300,000 which included the acquisition of property that will produce affordable housing. All proposed projects must be in compliance with the statutory and regulatory requirements of the HOME Program, approved by Congress under Title 24 – Housing and Urban Development, CFR, Part 92.

FISCAL IMPACT

The City is subject to time limits established by HUD for the commitment and expenditure of HOME funds. Failure to commit HOME funds within HUD deadlines places the funds at risk, pending notification from HUD.

Staff propose that the subject HOME funds (totaling \$1,300,000) be committed for the acquisition and/or development of vacant land at 112 and 114 South Sixth Street (including the adjacent alley) according to HOME program affordability requirements. The project would be accomplished through an agreement with a private developer (not yet selected) under which the HOME funds would be provided as financial assistance in exchange for development and operation according to HOME Program affordability requirements.

A loan agreement other appropriate agreement would be entered-into with the developer to establish the contractual framework to structure the disbursement of HOME funds and overall implementation of the project. **In anticipation of executing these agreements at a future date, staff recommend that the HOME funds be deposited into an escrow earmarked for the proposed development now.**

The escrow will be used as a vehicle to disburse HOME funds on the project after the developer has been selected, a loan agreement and/or other appropriate agreement(s) have been negotiated, and project details are approved by the City Council. Specifically, **HOME funds would be disbursed to the developer through the escrow and utilized by the developer for the acquisition and/or development of the subject properties (112 and 114 South Sixth Street, and adjacent alley).** Development of the project would be controlled through the future loan agreement and DDA.

By earmarking the HOME funds through the escrow account now, the risk of future loss of federal funds would be reduced and their availability for the Project would be secured.

Use of the HOME funds as proposed would result in the creation of

approximately 10 additional affordable housing units in the City. In addition, because HOME funds have been used to purchase adjacent property at 124 South Sixth Street, all properties would be subject to HOME Program affordability requirements, thus enabling the entire contiguous group (i.e., 112, 114, and 124 South Sixth Street, plus the adjacent alley) to contribute collectively toward the City's affordable housing goals.

ANALYSIS

The City of Montebello spent approximately \$8.5 million in HUD funding (\$6.5 million Section 108 loan/\$2.0 million BEDI grant) awarded to the City for the Whittier Boulevard Streetscape Project and allocated another \$1.8 million dollars in tax increment funding for the Business Assistance Program. The Economic Development Five Year Implementation Plan includes the requirement for the development of approximately 300 housing units, as required for the 20 Percent Housing Set-Aside funds and to demonstrate that agencies are complying with the requirements for inclusive and replacement housing as stated in California Redevelopment Law.

The parcels for which HOME funds are proposed to be earmarked toward are 112 and 114 South Sixth Street, and the adjacent alley, located south of the Whittier Boulevard Streetscape Project. The parcels are 16,730 square feet in size, and are currently owned by the City. If approved by the City Council, \$1,300,000 in HOME Program funds would be deposited into a escrow and earmarked for the acquisition and development of a multi-family housing project on the parcels by a private developer (subject to future agreements with the developer, and in compliance with applicable HOME Program requirements, including affordability requirements).

Current businesses in the 300-foot radius include a 99-Cent Store, April's Cakes, IREN Real Estate, and Jasmine's Flowers. Parcels located to the south and adjacent to the site consist of residential single and multi-family residential uses. The two parcels are zoned C-2 and would need to be rezoned for residential. However, both parcels are located in a redevelopment project area and are part of the Whittier Boulevard Mixed-Use District that would allow housing in the downtown district when adopted.

The need for parking along the Whittier Boulevard Streetscape Project and the requirement to produce affordable housing as part of the Whittier Boulevard Revitalization Plan is in compliance with the statutory and regulatory requirements of the HOME Program, making this an ideal site for a multi-family and/or public parking. The site is expected to produce parking stalls for the Commercial District and produce affordable housing units.

SUMMARY/CONCLUSION

Staff propose that the subject HOME funds (totaling \$1,300,000) be committed

for the acquisition and/or development of vacant land at 112 and 114 South Sixth Street (including the adjacent alley) according to HOME program affordability requirements. The project would be accomplished through an agreement with a private developer (not yet selected) under which the HOME funds would be provided as financial assistance in exchange for development and operation according to HOME Program affordability requirements.

RECOMMENDATION

- Authorize staff to open escrow earmarked for the acquisition and/or development of a multi-family housing project, subject to HOME Program affordability requirements, at 112 and 114 South Sixth Street (including adjacent alley), and to deposit the \$1,300,000 HOME funds into escrow to assist the project.
- To adopt the resolution designating \$1,300,000 in Federal HOME Program Funds for the acquisition and/or development of vacant land to produce affordable housing at 112 and 114 South Sixth Street (including adjacent alley)

EXHIBIT N

CITY OF MONTEBELLO
July 23, 2008

TO: Honorable Mayor and Members of the City Council

FROM: Jose Bazua, Interim Director of Economic Development *J.B.*

SUBJECT: Authorization to transfer ownership of real property at 112, 114, and 124 South Sixth Street and the adjacent alley to the Redevelopment Agency in conformance with the Montebello Economic Revitalization Project Area.

REQUEST

A request for the authorization to transfer ownership of real property located at 112, 114, and 124 South Sixth Street and the adjacent alley to the Community Redevelopment Agency ("Agency") so that the property can be incorporated into a future residential redevelopment project anticipated for the area.

BACKGROUND

Staff has been evaluating future residential redevelopment in and around the subject properties, including the possibility of entering into an Owner Participation Agreement (OPA) or Disposition and Development Agreement (DDA) with a developer for the development of a residential project which incorporates a substantial affordable housing component. On June 25, 2008, the City Council authorized the transfer of \$1.3 million in federal HOME Program funds to an escrow account, with the intention that the HOME Program funds would be disbursed to a developer pursuant to a future DDA and/or loan agreement with the Agency.

The proposed property transfers are consistent with the anticipated future use of the HOME Program funds and the overall goals for redevelopment in the area.

FISCAL IMPACT

The proposed action provides for the transfer of title of the subject properties from the City to the Agency at no cost. However, transfer of the subject properties to a developer or other party is not sought at this time, but will potentially occur at a future date, should redevelopment plans for the properties materialize and necessitate the Agency's approval subsequent to the title transfer. If a future redevelopment plan does not materialize, the property may be re-conveyed to the City.

JUL 23 2008

Agenda - Exhibit N, Page 1

Thus, this action will have no fiscal impact. Should there be an impact associated with any future transfer of the properties, such impact will be addressed at that time.

SUMMARY/CONCLUSION

Staff has been evaluating future residential redevelopment in and around the subject properties. The combination of the use of the HOME Program funds previously approved together with the transfer of ownership of these properties would provide the Agency control over the subject properties, and thereby enhance the Agency's ability to solicit residential development proposals in the area. In addition, such action would enable the Agency to enter into future development agreements which would incorporate the subject properties into future redevelopment projects.

Moreover, because both the HOME Program funds earmarked for future redevelopment and one of the subject properties (124 South Sixth Street) are subject to affordability restrictions, granting the Agency control over the subject properties would improve the Agency's ability to attract new affordable housing development in the area.

It should be noted that no transfer to a developer or other party is sought by staff at this time. Staff is only seeking the authorization to transfer the title of the properties to the Agency. Any future authorization to transfer the ownership of these properties to a developer or a third party would be sought at a later date after a DDA or other applicable agreements have been negotiated.

RECOMMENDATION

It is staff's recommendation that the City Council authorize the transfer of real property located at 112, 114, and 124 South Sixth Street and the abutting alley to the Community Redevelopment Agency so that the property can be incorporated into a future residential redevelopment project anticipated by the Agency.

EXHIBIT O

RESOLUTION NO. 08-05

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MONTEBELLO APPROVING AND AUTHORIZING
THE CONVEYANCE TO THE CITY OF MONTEBELLO BY
QUITCLAIM DEED OF THE AGENCY'S INTEREST IN THE
WOODWARD/WESTGATE PROPERTY**

WHEREAS, a Settlement Agreement and Release ("Settlement Agreement") was entered into as of April 16, 2007, by and among the Community Redevelopment Agency of the City of Montebello, a public agency and instrumentality of the City of Montebello ("Agency") and the City of Montebello, a California municipal corporation ("City") and Westgate Group, Inc. a California corporation and Woodward III, LLC a California limited liability company (collectively the "Parties") in order to settle all matters set forth in the complaint and cross complaint filed in the Superior Court of the County of Los Angeles as Redevelopment Agency of the City of Montebello v. Westgate Group, Inc., et. al., Case No. BC 339799; and

WHEREAS, during the drafting of the Settlement Agreement, it had been mistakenly assumed that Agency funds were used to purchase that certain real property commonly known as 124 South 6th Street, Montebello, County of Los Angeles, California ("Property"), as more fully described in Exhibit A and depicted in Exhibit B attached hereto and incorporated herein by reference; and

WHEREAS, on November 29, 2007, due to this miscommunication, Woodward III, LLC mistakenly granted the Property to the Agency instead of the City; and

WHEREAS, the City, not the Agency, had actually used its federal HOME funds to initially purchase the Property; and

WHEREAS, the Agency desires to correct this error in title by properly conveying the Property to the City, in accordance with the terms and conditions set forth in the quitclaim deed attached hereto as Exhibit C ("Quitclaim Deed"); and

WHEREAS, the City desires to receive the Property as was intended by and among the Parties when they initially agreed to settle the aforementioned dispute; and

WHEREAS, California Government Code Section 37350 provides that a city may purchase, lease, receive, hold, and enjoy real and personal property, and control and dispose of it for the common benefit; and

WHEREAS, Agency staff has determined that the Agency's conveyance of the Property to City is exempt from the requirements of the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that the mere transfer of title to the Property from the Agency to the City will not have a significant effect on the environment; and

WHEREAS, pursuant to the foregoing, Agency staff has determined that a notice of exemption ("Notice of Exemption") for the sale of the Property should be filed pursuant to CEQA, the State CEQA Guidelines and the Agency's Local CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Community Redevelopment Agency of the City of Montebello, as follows:

1. The Community Redevelopment Agency hereby determines that the conveyance of the Property to the City is to correct an error that occurred during the Settlement Agreement drafting process.

2. The Community Redevelopment Agency hereby approves and authorizes the conveyance of the Property to the City by and pursuant to the terms and conditions set forth in the Quitclaim Deed attached hereto in substantially final form as Exhibit C.

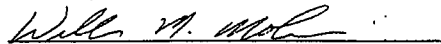
3. The Community Redevelopment Agency hereby authorizes the Executive Director to execute the Quitclaim Deed and to take such other actions and execute such other documents as may be necessary to accomplish the Agency's conveyance of the Property in accordance with this Resolution.

4. The Community Redevelopment Agency hereby directs Agency staff to file a Notice of Exemption with the Clerk of Los Angeles County within five (5) calendar days following approval of this Resolution.

5. The Agency Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

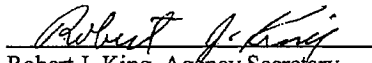
6. The Executive Director shall sign this Resolution and the Agency Secretary shall attest thereto, and this Resolution shall take effect immediately upon its adoption.

ADOPTED this 12 day of March, 2008.



William M. Molinari, Chairman

ATTEST:



Robert J. King, Agency Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss.
CITY OF MONTEBELLO)

I, ROBERT J. KING, Secretary of the Community Redevelopment Agency of the City of Montebello, do hereby certify that the foregoing CRA Resolution No. 08-05 was duly and regularly approved and adopted by the Community Redevelopment Agency of the City of Montebello at their regular meeting held on the 12th day of March, 2008, as approved by law by the following vote:

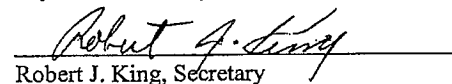
AYES: Members: Urteaga, Salazar, Vasquez, Saucedo-Rodriguez, Molinari

NOES: Members: None

ABSTAIN: Members: None

ABSENT: Members: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City on the 12th day of March 2008



Robert J. King, Secretary

(resoatst)

**EXHIBIT A
TO
RESOLUTION NO. 08-05**

Legal Description of Property

LOT 19 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHWEST 88 FEET OF SAID LOT.

ALSO EXCEPT ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL, RECORDED IN BOOK 7395, PAGE 381, OFFICIAL RECORDS.

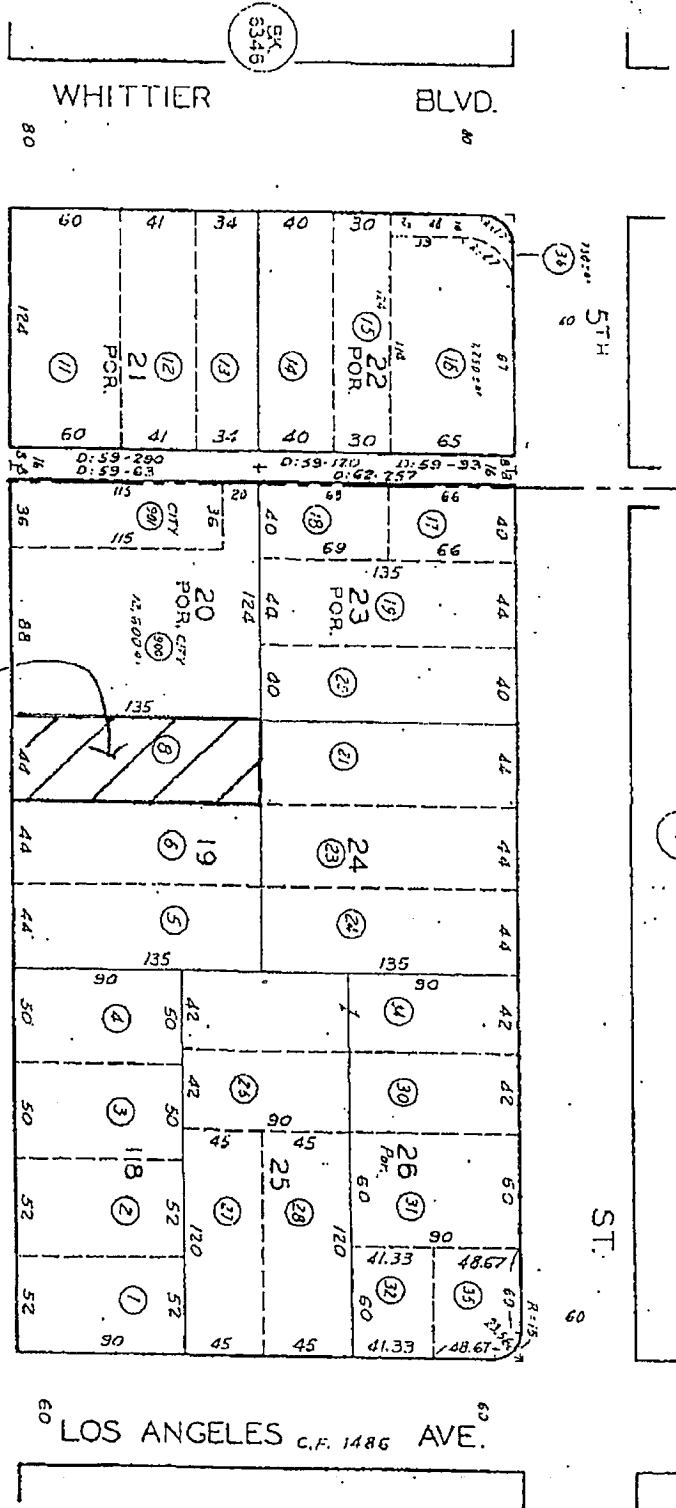
EXHIBIT A

**EXHIBIT B
TO
RESOLUTION NO. 08-05**

Property Map

[Attached Behind This Page]

0349 5
SCALE 1" = 50'



ADDITION NO. 1 TO THE
TOWN OF NEWMARK

M. B. 8-36

FOR PREV. ASSMT. SEE:
6349-5

CODE
6311
6330

**EXHIBIT C
TO
RESOLUTION NO. 08-05**

Quitclaim Deed

[Attached Behind This Page]

EXHIBIT C

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

THE CITY OF MONTEBELLO
ATTN: RICHARD TORRES
1600 W. BEVERLY BLVD.
MONTEBELLO, CA 90640

MAIL TAX STATEMENTS TO:
Same as Above

Exempt from Recording Fees per Govt. Code §27383
Exempt from Documentary Transfer Tax per Calif. Rev. & Tax. Code §11922

County of Los Angeles

APN 6349-005-008

QUITCLAIM DEED

FOR VALUE RECEIVED, receipt of which is hereby acknowledged,

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
MONTEBELLO, a public agency and instrumentality of the City of Montebello
("Grantor")**

hereby remises, releases and forever quitclaims to

CITY OF MONTEBELLO, a municipal corporation ("Grantee"),

all right, title and interest of Grantor in and to that certain real property situated in the City of Montebello, County of Los Angeles, State of California, more fully described in EXHIBIT A attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on the date set forth below.

Dated: _____, 2008

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MONTEBELLO, a public
Agency and instrumentality of the
City of Montebello

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me, _____ (here
insert name and title of the officer), personally appeared _____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

**EXHIBIT A TO
QUITCLAIM DEED**

LEGAL DESCRIPTION

LOT 19 OF ADDITION NO. 1 TO THE TOWN OF NEWMARK (BEING A SUBDIVISION OF CERTAIN LOTS OF MONTEBELLO), IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 8, PAGE 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHWEST 88 FEET OF SAID LOT.

ALSO EXCEPT ONE-HALF OF ALL OIL, GAS, PETROLEUM, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS PRODUCED FROM SAID LAND, AS RESERVED IN THE DEED FROM HENRY M. NEWMARK, ET AL, RECORDED IN BOOK 7395, PAGE 381, OFFICIAL RECORDS.

**EXHIBIT D
TO
RESOLUTION NO. ____**

Certificate of Acceptance of Quitclaim Deed

[Attached Behind This Page]

CITY OF MONTEBELLO
CERTIFICATE OF ACCEPTANCE OF
QUITCLAIM DEED

[APN: 6349-005-008]

This Certificate of Acceptance pertains to the interest in certain real property conveyed by the Quitclaim Deed dated _____, 200__, to which this Certificate of Acceptance is attached

from: **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO, A PUBLIC AGENCY AND INSTRUMENTALITY OF THE CITY OF MONTEBELLO ("Grantor")**

to: **CITY OF MONTEBELLO, a municipal corporation ("Grantee")**

Said Quitclaim Deed is hereby accepted by the undersigned officer on behalf of Grantee pursuant to authority conferred by the Grantee's governing body, and Grantee hereby consents to recordation of said Grant Deed.

Dated: _____, 2008

CITY OF MONTEBELLO,
a municipal corporation

By: _____

Name: _____

Title: _____

ATTEST:

City Clerk

EXHIBIT P

Taylor Ranch

BK D5433 PG

AND WHEN RECORDED MAIL TO

Name City of Montebello
Street Address 1600 W. Beverly Blvd.
City & State Montebello, California 90640

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CALIF.
FOR TITLE INSURANCE & TRUST CO.

APR 20 1972 AT 8 A.M.

Registrar-Recorder

FREE V S

MAIL TAX STATEMENTS TO

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Name
Street Address name and address shown above
City & State

DOCUMENTARY TRANSFER TAX \$ NONE
~~OR~~ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,
OR COMPUTED ON FULL VALUE LESS LIENS AND
ENCUMBRANCES REMAINING AT TIME OF SALE.
FILE PENN ESCROW, INC.
Signature of Declarant or Agent determining tax. Firm Name

Grant Deed

TO 405;1 CA (1-70)

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
also known as William H. Taylor
WILLIAM HARMON TAYLOR, JR.,/GRACE L. TAYLOR, WILLIAM H. TAYLOR, and
HAZEL H. TAYLOR and DOROTHY M. TAYLOR, wife of William Harmon Taylor, Jr.

hereby GRANT(S) to CITY OF MONTEBELLO, a Municipal Corporation

the following described real property in the city of Montebello
County of Los Angeles, State of California:

Lot 221 of Montebello, as per map recorded in
Book 78 Pages 19 to 23 inclusive of Miscellaneous
Records, in the office of the County Recorder of
said County.

Dated January 18, 1972

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } SS.

On February 29, 1972 before me, the under-
signed, a Notary Public in and for said State, personally appeared
William Harmon Taylor, Jr.; Grace L. Taylor;
William H. Taylor; Hazel H. Taylor and Dorothy M. Taylor wife
of William H. Taylor

known to me
to be the persons whose names are subscribed to the within
instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Signature

Diane A. Plamondon

Name (Typed or Printed)

William Harmon Taylor, Jr.
Grace L. Taylor
William H. Taylor
Hazel H. Taylor
Dorothy M. Taylor
Grace L. Taylor

NOTARY PUBLIC
DIANE A. PLAMONDON
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires June 27, 1975

(This area for official notarial seal)

Title Order No. 415-2264

Escrow or Loan No. 8185-6

EXHIBIT Q



Branch:

WFG Title Company of California

700 N. Brand Blvd, Suite 1100

Glendale, CA 91203

(818) 638-7501

Fax (818) 240-2196

E-mail: EPollard@InvestorsTitle.com

Title Officer: Ernie Pollard

PRELIMINARY REPORT

ORDER NO. 5316600-EP

Ref. No.:

**Director of Planning and Community Development
1600 W. Beverly Blvd
Montebello, CA 90640
Attn.: Michael Huntley**

**Property Address:
737 North Montebello Boulevard
Montebello, CA 90640
APN: 5293-013-901**

In response to the above referenced application for a policy of title insurance, this Company reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms. The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit B attached.

Please read the exceptions shown or referred to below and the Exceptions and Exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land. This report (and any supplements hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of policy of title insurance contemplated by this report is:

PRELIMINARY REPORT

Issued by WFG Title Insurance Company

Dated as of **APRIL 26, 2013 at 7:30 a.m.**

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A Fee

Title to said estate or interest at the date hereof is vested in:

CITY OF MONTEBELLO, A MUNICIPAL CORPORATION

The land referred to in this Report is situated in the State of California, County of **Los Angeles** and is described as follows:

(See "Legal Description" Exhibit A attached hereto and made a part hereof)

Exhibit A
Legal Description

All that certain real property in the County of LOS ANGELES, State of California, described as follows:

LOT 221, OF MONTEBELLO, IN THE CITY OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 78 PAGES 19, ET SEQ., OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5293-013-901

At the date hereof exceptions to coverage in addition to the printed exceptions and Exclusions contained in said policy would be as follows:

1. General and special taxes and assessments for the fiscal year 2013-2014, a lien not yet due or payable.

1a. General and special taxes and assessments for the fiscal year 2012-2013.

First Installment: \$0.00 NO TAXES DUE

Second Installment: \$0.00 NO TAXES DUE

Tax Rate Area: 06325

A. P. No.: 5293-013-901

FEDERAL PROPERTY

1b. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

1c. Assessments, for community facility districts, if any, affecting said land which may exist by virtue of assessment maps or notices filed by said districts.

2. Water rights, claims or title to water, whether or not shown by the public records.

3. An oil and gas lease executed by ALBERT TAYLOR AND MABEL I. TAYLOR, HUSBAND AND WIFE as Lessor and ST. HELENS PETROLEUM COMPANY, LIMITED, A BRITISH CORPORATION as Lessee, recorded MAY 1919 IN BOOK 125 PAGE 55, Official Records.

No assurance is made as to the present ownership of the leasehold created by said lease, nor as to other matters affecting the rights or interests of the lessor or lessee in said lease.

THE RIGHTS OF SURFACE ENTRY WERE QUITCLAIMED TO THE RECORD OWNERS BY AN INSTRUMENT RECORDED AUGUST 10, 1971 IN BOOK D-5154 PAGE 309, OFFICIAL RECORDS.

4. An easement for PIPES, POLES and incidental purposes, recorded DECEMBER 15, 1939 IN BOOK 17040 PAGE 344 of Official Records.

Granted to: THE TEXAS COMPANY, A CORPORATION

Affects: SOUTHERLY 10 FEET

Among other things, said document provides for: "IT IS UNDERSTOOD AND AGREED THAT THIS AGREEMENT AND RIGHTS AND PRIVILEGES HEREIN GIVEN THE GRANTEE SHALL TERMINATE IN EVENT GRANTEE SHALL FAIL FOR PERIOD OF 1 YEAR TO MAINTAIN AND OPERATE AT LEAST ONE OR THE OTHER OF SAID PIPE LINE AND POLE LINE".

5. An easement for SLOPE PURPOSES and incidental purposes, recorded AUGUST 28, 1944 IN BOOK D-2609 PAGE 114 of Official Records.

Granted to: CITY OF MONTEBELLO
Affects: SOUTHERLY 5 FEET

6. A document entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO DECLARING CERTAIN REAL PROPERTY A PART OF MONTEBELLO BOULEVARD FOR USE AS A PUBLIC STREET AND DESIGNATING THE SAME AS A PART OF THE STREET SYSTEM OF THE CITY OF MONTEBELLO", recorded OCTOBER 8, 1985 as Instrument No. 85-1181796 of Official Records.

Reference is hereby made to said document for full particulars.

7. A document entitled "GRANT OF MINERAL AND STORAGE INTEREST", recorded JANUARY 7, 1994 as Instrument No. 94-47252 of Official Records.

Reference is hereby made to said document for full particulars.

8. NOTE: Please be advised that our search did not disclose any open deeds of trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review.

9. Rights of Parties in possession of said land by reason of any unrecorded leases.

Please submit any such leases to this company for our examination.

10. Matters which may be disclosed by an inspection or by a survey of said land that is satisfactory to this company, or by inquiry of the parties in possession thereof.

An inspection of said land has been ordered; upon its completion we will advise you of our findings.

REQUIREMENTS:

Req. No. 1: Statements of information from all parties to the transaction.

Req. No. 2: With respect to CITY OF MONTEBELLO, A MUNICIPAL CORPORATION:

- a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
- b. A certified copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
- c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

NOTES:

- Note No. 1: This report does not reflect requests for notice of default, requests for notice of delinquency, subsequent transfers of easements, and similar matters not germane to the issuance of the policy of title insurance anticipated hereunder.
- Note No. 2: If this company is requested to disburse funds in connection with this transaction, Chapter 598 of 1989 Mandates of the California Insurance Code requires hold periods for checks deposited to escrow or sub-escrow accounts. Such periods vary depending upon the type of check and anticipated methods of deposit should be discussed with the escrow officer.
- Note No. 3: No endorsement issued in connection with the policy and relating to covenants, conditions or restrictions provides coverage for environmental protection.
- Note No. 4: Special recordings: Due to a severe budget shortfall, many county recorders have announced that severe limitations will be placed on the acceptance of "special recordings."
- Note No. 5: Homeowners association: if the property herein described is subject to membership in a homeowners association, it will become necessary that we be furnished a written statement from the said homeowners association of which said property is a member, which provides that all liens, charges and/or assessments levied on said land have been paid. Said statement should provide clearance up to and including the time of closing. In order to avoid unnecessary delays at the time of closing, we ask that you obtain and forward said statement at your earliest convenience.
- Note No. 6: Demands: This company requires that all beneficiary demands be current at the time of closing. If the demand has expired and a current demand cannot be obtained it may be necessary to hold money whether payoff is made based on verbal figures or an expired demand.
- Note No. 7: Line of credit payoffs: If any deed of trust herein secures a line of credit, we will require that the account be frozen and closed and no additional advances be made to the borrower. If the beneficiary is unwilling to freeze the account, we will require you submit to us all unused checks, debit vouchers, and/or credit cards associated with the loan along with a letter (affidavit) signed by the trustor stating that no additional advances will be made under the credit line. If neither of the above is possible, it will be necessary to hold any difference between the demand balance and the maximum available credit.
- Note No. 8: Maps: The map attached hereto may or may not be a survey of the land depicted thereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. WFG Title Company of California expressly disclaims any liability for alleged loss or damages which may result from reliance upon this map.
- Note No. 9: The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, then a CLTA Owners Policy will be issued.
- Note No. 10: In the event of cancellation or if the transaction has not closed within 90 days from the date hereof, the rate imposed and collectable shall be a minimum of \$360.00, pursuant to Section 12404 of the Insurance code, unless other provisions are made.
- Note No. 11: ***A Preliminary Change of Ownership Report (PCOR)*** must be filed with each conveyance in the County Recorder's office for the county where the property is located. If a document evidencing a change in ownership is presented to the Recorder for recordation without the concurrent filing of a PCOR, the Recorder may charge an additional recording fee of twenty dollars (\$20). State law also provides for a penalty of be levied if the Change of Ownership Report is not returned to the Assessor within a timely filing period. The penalty for failure to file a Change in Ownership Statement is \$100 or 10% of the new tax bill, whichever is greater, but not to exceed \$2,500.

Note No. 12: According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None.



**Please call your Escrow Officer if your answer is
"Yes" to any of the following questions**

- ◆ At any time during the preceding 6 months, has there been, or is there currently, any work or construction of improvements on the property?
- ◆ Are any of the parties currently vested in title, on the property herein currently Incapacitated or Deceased?
- ◆ Are any of the principals of the transaction intending to use a Power of Attorney to execute any of the documentation involved in this transaction?
- ◆ Has there been a recent change of marital status of any of the principals involved in this transaction?
- ◆ Is the property herein intended to be transferred into a Trust, Partnership, Corporation, or Limited Liability Company?
- ◆ Do the sellers of the property reside outside the state of California?
- ◆ Will the property described herein be part of a Tax Deferred Exchange?

In order to better serve you, We ask that you remember:

- ◆ All parties signing documents must have a valid Photo Identification Card, Drivers License, or Passport for notarial acknowledgment.
- ◆ Please call your Escrow Officer with any Loan or Lien payoff information, if required, he or she may order payoff demands in a timely manner, & advise your Escrow Officer of any loan(s) that are to be assumed by the buyer.
- ◆ If parties are obtaining a loan, your Escrow Officer will need to have the Fire/Hazard Insurance, agent name & phone number to add the new lender on the policy as a loss payee.
- ◆ If there is to be a change of ownership, it will be necessary for the parties acquiring title to indicate how they would like to be vested. **WFG Title Company of California** has a worksheet available that will briefly explain each of the various methods of holding title (please feel free to request a copy from us). Note: Each method by which you can hold title has different legal &/or tax considerations & parties are encouraged to obtain advise from an Attorney, CPA, or other professional knowledgeable in this area.

Privacy Policy of WFG Title Company of California

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, you have provided or will provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize personal information you provide to us.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer-reporting agency.

Use of Information

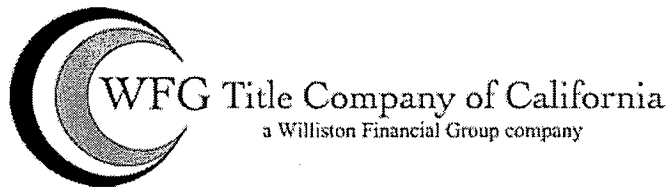
The information you provide us is for our own legitimate business purposes and not for the benefit of any affiliated or nonaffiliated party. Therefore, we will not release your information to affiliated and nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities that need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with the Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



Notice of Opportunity to Earn Interest

You have the opportunity to earn interest on the funds you deposit with us by instructing us to deposit your funds into an interest bearing account. (You do not have an opportunity to earn interest on any funds deposited by a lender.) If you elect to earn interest, there is an additional fee in the amount of \$50.00 for establishing and maintaining such an account. It is important that you consider this cost as it may exceed the actual interest you earn.

Example: A regular savings deposit of \$1,000.00 at an average interest rate of 3.0%* per annum for a 30 day period:

| | | | | | | | | |
|----------------|---|-------------|---|---------------|---|-------------|---|------------------------------|
| <u>Deposit</u> | x | <u>Rate</u> | ÷ | <u>Annual</u> | x | <u>Days</u> | = | <u>Total Interest Earned</u> |
| \$1,000.00 | x | .03 | ÷ | 360 | x | 30 | = | \$2.50 |

PLEASE READ THE FOLLOWING CAREFULLY:

A. If you do not want to have your funds deposited into an interest-bearing account, please initial below this paragraph and return this Notice and such will constitute an instruction to us that your funds be deposited into **WFG Title Company of California** general escrow account. Likewise, non-receipt of this form will also constitute an instruction to us that your funds be deposited into **WFG Title Company of California** general escrow account. For important information regarding the general escrow accounts, please read the disclosure in Paragraph C below.

Initials _____

B. If you elect to have your funds earn interest in an interest-bearing account using **WFG Title Company of California** depository bank, you **MUST** sign this form below, and return to **WFG Title Company of California** both this signed form and a W-9 form, which can be provided upon request. Please be advised that you will be responsible for reporting all earnings to the applicable taxing authorities.

C. Should you not elect to earn interest on your deposit, your funds will be deposited into our general escrow account at a financial institution insured by the FDIC. The general escrow account is restricted and protected against claims by third parties or creditors of **WFG Title Company of California**. This is a non-interest bearing account; however, **WFG Title Company of California**, may receive certain financial benefits from that financial institution because of the general escrow account and its on-going banking relationship. These benefits may include, without limitation, credits allowed by such financial institution on loans to **WFG Title Company of California** and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. We do not have an obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by **WFG Title Company of California**. Any such benefits shall be deemed additional compensation of **WFG Title Company of California** for its services in connection with the escrow.

ELECTION TO EARN INTEREST:

I HEREBY AUTHORIZE AND DIRECT, WFG TITLE COMPANY OF CALIFORNIA TO OPEN AN INTEREST BEARING ACCOUNT AT WFG TITLE COMPANY OF CALIFORNIA DEPOSITORY BANK AND TO CHARGE THE ADDITIONAL FEE FOR THIS SERVICE.

SIGNATURE: _____

DATE: _____

SIGNATURE: _____

DATE: _____

* Please note that this interest rate is only an example and **WFG Title Company of California** does not guaranty the availability of any specific rate.

WIRE INSTRUCTIONS: THIS COMPANY WILL BE ABLE TO WIRE FUNDS NECESSARY TO PAY LOANS IN FULL AND/OR PROCEEDS TO ESCROW PROVIDED WE HAVE LENDER PROCEEDS WIRED TO US WHEN THE LOAN FUNDS PRIOR TO RECORDING. THIS WILL ALLOW US THE COLLECTED FUNDS IN OUR ACCOUNT NECESSARY TO WIRE TO YOU. OUR WIRE INSTRUCTIONS ARE:

Bank: **Comerica Bank**
Routing No.: **121137522**
Address: 2321 Rosecrans Avenue. #5000
El Segundo, CA 90245
Credit: WFG Title Company of California f/k/a Investors Title Company
Account No.: **1894255478**
Title Order No.: **5316600**

PLEASE BE SURE TO REFERENCE OUR TITLE ORDER NUMBER AND TITLE OFFICER.

IF YOU WISH TO HAVE PROCEEDS WIRED TO YOUR ESCROW ACCOUNT PLEASE REQUEST SO AT THE TIME YOU AUTHORIZE THE RECORDING AND VERIFY THAT WE HAVE YOUR CORRECT WIRE INSTRUCTIONS. FOR YOUR CONVENIENCE WE HAVE PROVIDED THE FOLLOWING FORM TO BE FILLED OUT AND FAXED PRIOR TO RECORDING:

WFG TITLE COMPANY OF CALIFORNIA

DATE: _____

YOUR ORDER NO.: _____

OUR ESCROW NO.: _____

ON THE ABOVE REFERENCE FILE PLEASE WIRE PROCEEDS TO OUR ACCOUNT. OUR WIRE INSTRUCTIONS ARE:

BANK: _____
BANK ADDRESS: _____
CITY: _____
CREDIT: TO: _____
ACCOUNT NO.: _____
ABA ROUTING NUMBER: _____
SPECIAL INSTRUCTIONS: _____

Note: If you have any documents pertaining to this file please call your title unit or our dispatch department for pickup. Our telephone number is: (818) 476-4000

CLTA Preliminary Report Form - Exhibit A (06-04-10)

CLTA STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part, or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge
3. Defects, liens, encumbrances, adverse claims, or other matters.
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant,
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy,
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records, Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10/22/03)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on the Land
 - e. Land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage State as follows:

- * For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | <u>Your Deductible Amount</u> | <u>Our Maximum Dollar Limit of Liability</u> |
|------------------|------------------------------------------------------|--------------------------------------------------|
| Covered Risk 14: | 1% of Policy Amount or \$2,500.00 (which is less) | \$10,000.00 |
| Covered Risk 15 | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 16: | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 18: | 1% of Policy Amount or \$2,500.00 (which is less) | \$25,000.00 |

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - building;
 - zoning;
 - land use;
 - improvements on the Land;
 - land division; and
 - environmental protection.
 This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
- The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
- Risks:
 - that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - that are known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - that result in no loss to You; or
 - that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e, 25, 26, 27 or 28.
- Failure to pay value for Your Title.
- Lack of a right:
 - to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage State as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | <u>Your Deductible Amount</u> | <u>Our Maximum Dollar Limit of Liability</u> |
|------------------|------------------------------------------------------|--------------------------------------------------|
| Covered Risk 16: | 1% of Policy Amount or \$2,500.00 (which is less) | \$10,000.00 |
| Covered Risk 18 | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 19: | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 21: | 1% of Policy Amount or \$2,500.00 (which is less) | \$25,000.00 |

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - building
 - zoning
 - land use;
 - improvements on the Land;
 - land division; and
 - environmental protection
 This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
- The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
- Risks:
 - that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - that are known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - that result in no loss to You; or
 - that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e, 25, 26, 27 or 28.
- Failure to pay value for Your Title.
- Lack of a right:
 - to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and

- b. in streets, alleys, or waterways that touch the Land.
This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar credits rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage State as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | <u>Your Deductible Amount</u> | <u>Our Maximum Dollar Limit of Liability</u> |
|------------------|------------------------------------------------------|--------------------------------------------------|
| Covered Risk 16: | 1% of Policy Amount or \$2,500.00 (which is less) | \$10,000.00 |
| Covered Risk 18 | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 19: | 1% of Policy Amount or \$5,000.00 (which is less) | \$25,000.00 |
| Covered Risk 21: | 1% of Policy Amount or \$2,500.00 (which is less) | \$25,000.00 |

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

- In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:
- Governmental policy power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the endorsement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
the right to take the land by condemning it, unless:

 - a notice of exercising the right appears in the public records
 - on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
 - Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to use, on the Policy Date -- unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 Covered Title Risks
 - Failure to pay value for your title.
 - Lack of a right:
 - to any land outside the area specifically described and referred to in item 3 of Schedule A

OR

 - In streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

ALTA LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT - FORM 1 COVERAGE

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of

- Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part, or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 - Any governmental police power not excluded by (a) above except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters.
 - created, suffered, assumed or agreed to by the insured claimant,
 - not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - resulting in no loss or damage to the insured claimant;
 - attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in

whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.

7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending laws.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA OWNER'S POLICY (10-17-92)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims, (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1 (b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01-01-08) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
(i) the occupancy, use, or enjoyment of the Land;
(ii) the character, dimensions, or location of any improvement erected on the Land;
(iii) the subdivision of land; or
(iv) environmental protection;

- or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. 6. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
 6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b) or 25.
 8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

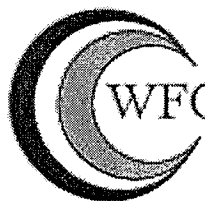
ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (02-03-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

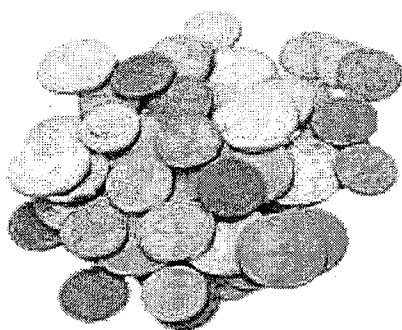
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters.
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or law of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. The Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.



WFG Title Company of California
a Williston Financial Group company

CHANGE IS HERE!

Investors Title Company is now WFG Title Company of California!



WFG is built upon the directive to **communicate, collaborate and co-exist**—represented in its logo by three “C”s.

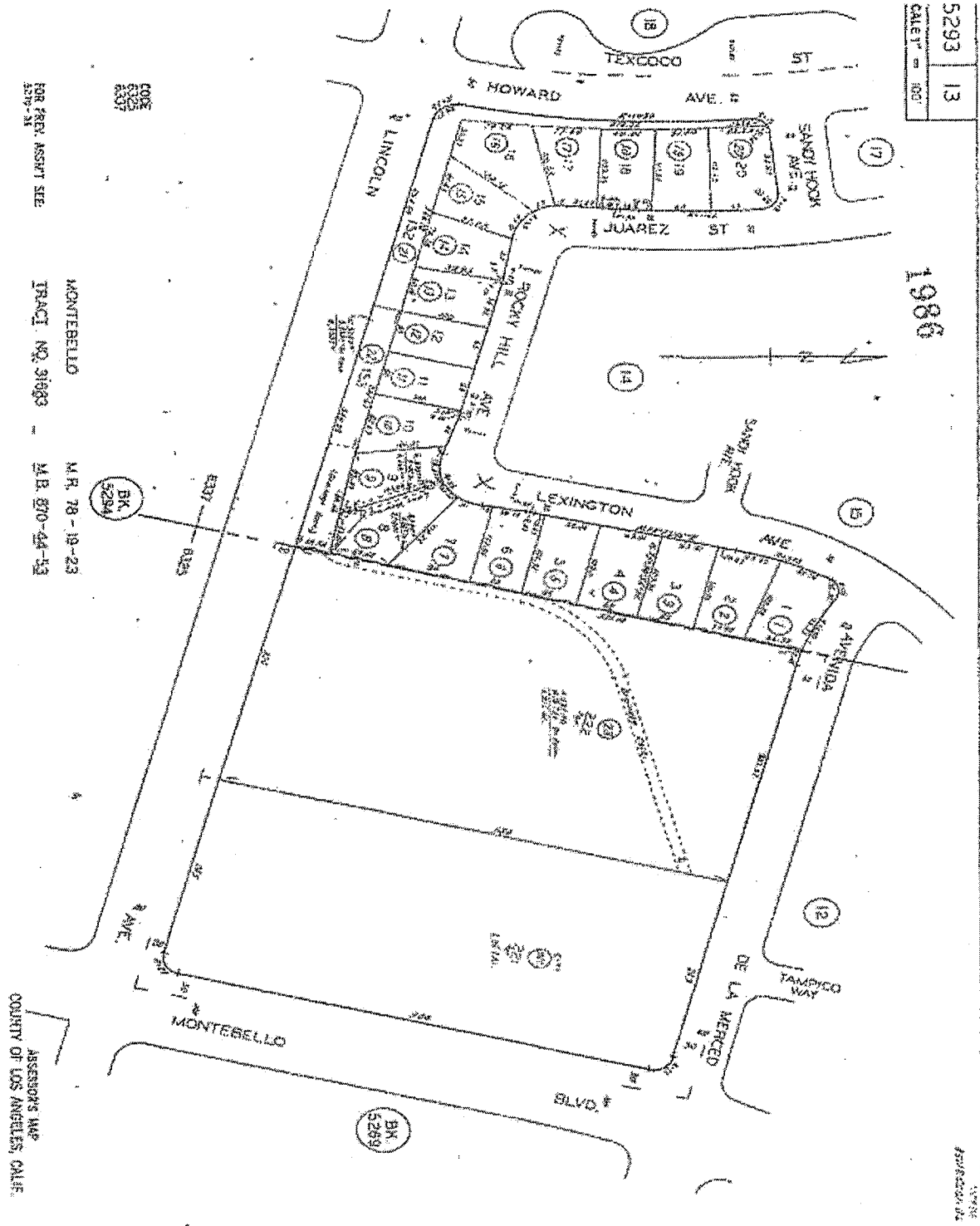
WFG understands that it has no purpose without its clients, and that its success is dependent entirely upon the success of its partners and customers. Client focus manifests itself through constant **communication** and an unconditional willingness to **collaborate** at every opportunity. By exercising communication and collaboration, WFG integrates with its client processes and **co-exists** for the consumer's benefit.

For more information about WFG Title Company of California
find us at www.wfgtitleco.com

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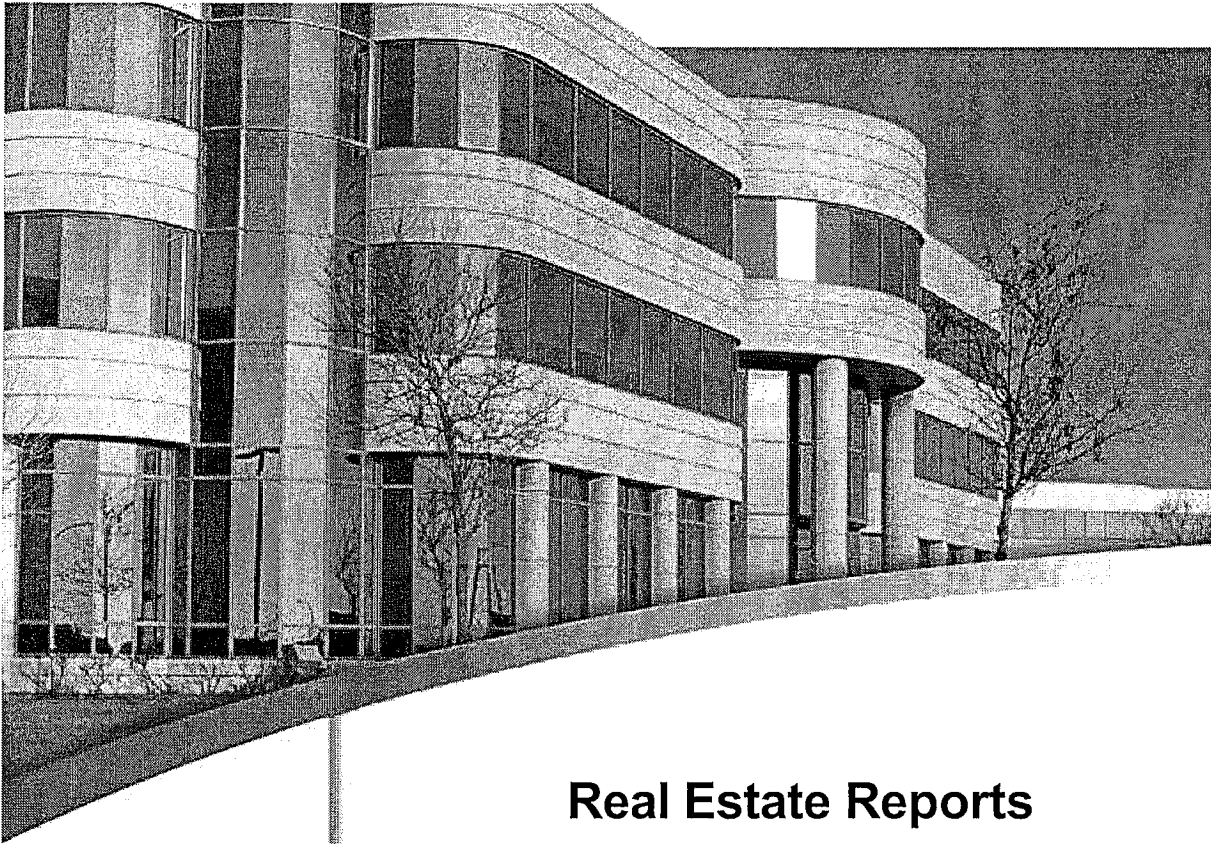
Order: 5316600 Doc: CA;LA;ABP;5293.013
 - 1 of 1 - Investor file



FOR PREP. ASSY. SEE
 5293-2

MONTIBELLO M.R. 78-19-23
 TRACT NO. 31883 - M.B. 870-44-13

EXHIBIT R



Real Estate Reports

Property:

737 N Montebello Blvd
Montebello, CA 90640
APN: 5293-013-901

Data deemed reliable, but not guaranteed. LPS Data Services 2009.
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Property Details

Montebello City
737 N Montebello Blvd, Montebello, CA 90640

APN: 5293-013-901
Los Angeles County

Owner Information

Primary Owner: MONTEBELLO CITY

Secondary Owner:

Mail Address: 737 N MONTEBELLO BLVD
MONTEBELLO CA 90640

Site Address: 737 N MONTEBELLO BLVD
MONTEBELLO CA 90640

Assessor Parcel Number: 5293-013-901

Census Tract: 5300.05

Tract Number:

Lot Number: 221

Legal description: Lot: 221 Abbreviated Description: LOT:221 CITY:REGION/CLUSTER: 11/11406
MONTEBELLO*(EX OF STS) LOT 221 City/Muni/Twp: REGION/CLUSTER: 11/11406

Sale Information

Sale Date:

Document #:

Sale Amount: N/A

Seller:

Sale Type:

Cost/SF: N/A

Assessment & Tax Information

Assessed Value: \$192,740

Land Value: \$192,740

Imp. Value:

Homeowner
Exemption:

% Improvement:

Tax Amount:

Tax Status: Current

Tax Year: 2014

Tax Rate Area: 6-325

Tax Account ID:

Property Characteristics

Bedrooms:

Year Built:

Pool:

Bathrooms:

Square Feet:

Lot Size: 3.59 AC

Partial Baths:

Number of Units: 0

No of Stories:

Total Rooms:

Garage:

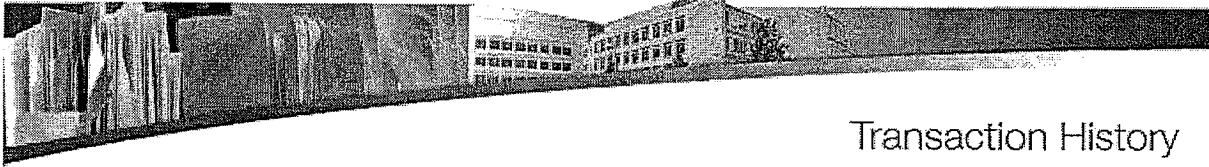
Fire Place:

Property Type: Commercial Vacant Land

Building Style:

Use Code: Government-Vacant Land

Zoning: MNR1*



Transaction History

Montebello City
737 N Montebello Blvd, Montebello, CA 90640

APN: 5293-013-901
Los Angeles County

Prior Transfer

Recording Date: 04/20/1972

Price: N/A

First TD: N/A

Mortgage Doc #:

Lender Name: N/A

Buyer Name: MONTEBELLO CITY

Buyer Vesting: GV

Seller Name: N/A

Legal description: Lot: 221

Abbreviated Description: MONTEBELLO*(EX OF STS) LOT 221

City/Muni/Twp: REGION/CLUSTER: 11/11406

Document #: BK-PG -

Document Type: N/A

Type of Sale: Per Assessor Transaction
History

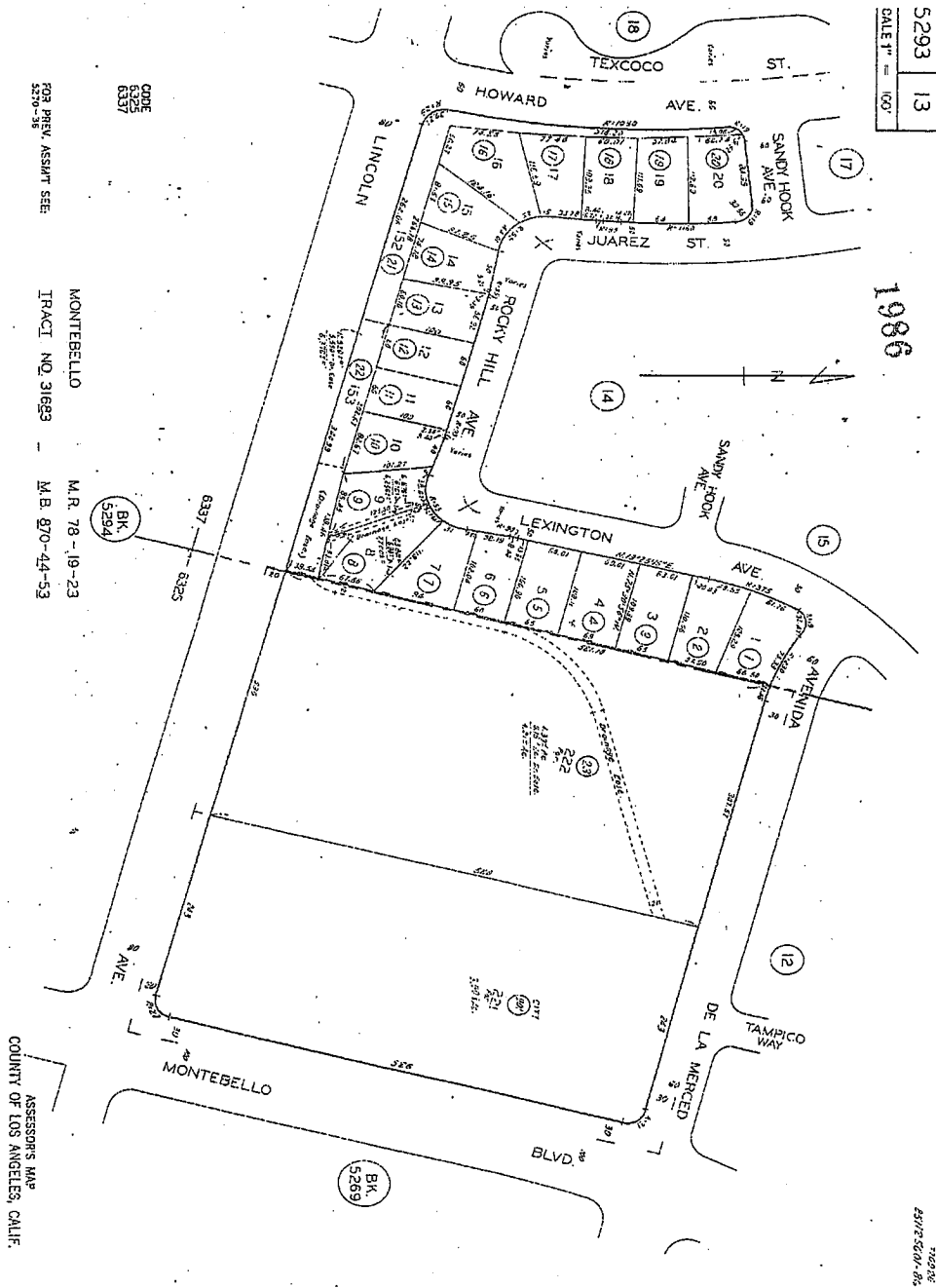
Interest Rate:



Assessor Map

[Click here to get the map in PDF](#)

[Click here to get the map in TIF](#)





Neighbors

Montebello City
737 N Montebello Blvd, Montebello, CA 90640

APN: 5293-013-901
Los Angeles County

MONTEBELLO CITY
737 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5293-013-901

Bedrooms: Bathrooms:
Square Feet: Lot Size: 3.59 AC
Year Built: Garage:

KIRAKOSSIAN O OLGA
718 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-028

Bedrooms: 4 Bathrooms: 3
Square Feet: 3,013 SF Lot Size: 6,146 SF
Year Built: 1965 Garage:

SOTO EDWARD C & HELEN J; SOTO FAMILY TRUST

724 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-029

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,442 SF Lot Size: 6,127 SF
Year Built: 1965 Garage:

HERRERA ANTHONY & MOLLIE
730 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-030

Bedrooms: 3 Bathrooms: 3
Square Feet: 1,994 SF Lot Size: 6,119 SF
Year Built: 1965 Garage:

WESTERN PRELACY OF THE ARMENIAN APOSTOLIC CHURCH OF
900 W LINCOLN AVE
MONTEBELLO CA 90640
APN: 5293-013-023

Bedrooms: Bathrooms:
Square Feet: 25,720 SF Lot Size: 4.4 AC
Year Built: Garage:

UGURLIAN, ASDIK
712 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-027

Bedrooms: 3 Bathrooms: 3
Square Feet: 2,189 SF Lot Size: 6,130 SF
Year Built: 1964 Garage:

ARAGONEZ ALICE M
734 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-031

Bedrooms: 3 Bathrooms: 3
Square Feet: 2,436 SF Lot Size: 6,155 SF
Year Built: 1964 Garage:

RODRIGUEZ, JOHN DAVID; RODRIGUEZ, CYNTHIA DIANE
708 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-026

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,394 SF Lot Size: 6,110 SF
Year Built: 1964 Garage:

GAMBOA CAMELIA
704 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-025

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,154 SF Lot Size: 6,140 SF
Year Built: 1964 Garage:

PEDROZA CARLOS & ESTHER
715 W AVENIDA DE LA MERCED
MONTEBELLO CA 90640
APN: 5269-008-032

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,394 SF Lot Size: 7,300 SF
Year Built: 1965 Garage:

ZAMUDIO GUADALUPE & ASUNCION
725 N 7TH ST
MONTEBELLO CA 90640
APN: 5269-008-018

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,394 SF Lot Size: 6,757 SF

WONG DAVID & KATHY
721 N 7TH ST
MONTEBELLO CA 90640
APN: 5269-008-019

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,394 SF Lot Size: 6,413 SF

Year Built: 1965 Garage:

LOWY DAVID L
700 N MONTEBELLO BLVD
MONTEBELLO CA 90640
APN: 5269-008-024

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,722 SF Lot Size: 7,060 SF
Year Built: 1964 Garage:

ORTIZ TONY R & JESSICA G
731 N 7TH ST
MONTEBELLO CA 90640
APN: 5269-008-017

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,442 SF Lot Size: 10,008 SF
Year Built: 1964 Garage:

Year Built: 1965 Garage:

BOCANEGRA PATRICIO
717 N 7TH ST
MONTEBELLO CA 90640
APN: 5269-008-020

Bedrooms: 4 Bathrooms: 3
Square Feet: 2,442 SF Lot Size: 6,345 SF
Year Built: 1964 Garage:

EXHIBIT S

A RESOLUTION OF THE MONTEBELLO COMMUNITY REDEVELOPMENT
AGENCY AUTHORIZING THE APPROPRIATION OF FUNDS..

THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT
AGENCY DOES RESOLVE AS FOLLOWS:

SECTION 1. That the Executive Director is hereby authorized
to make the following appropriation:

| FROM | | TO | |
|----------------------------------------|-----------|--------------------------------------------------------------|-----------|
| Account No. | Amount | Account No. | Amount |
| 29-289 | \$203,650 | 30-1626 | \$203,650 |
| (CRA Montebello Hills Fund Balance) | | (Capital Improvement Projects - Taylor Ranch Purchase) | |

(To appropriate funds to purchase the Taylor
Ranch site from the State Gas Tax Fund.)

SECTION 2. The above appropriation will have the following
effect on the original budget as previously approved by the Board
of Directors:

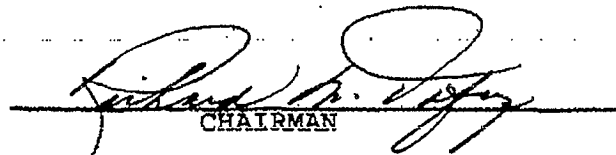
| ACCOUNT NUMBER DESCRIPTION | AMOUNT OF ORIG. BUDGET | REQUESTED AMENDMENT | PERCENT OF ORIG. BUDGET | TOTAL ADDITIONAL FUNDS APPROVED TO DATE |
|-----------------------------------------------------------------------|---------------------------|------------------------|----------------------------|-----------------------------------------------|
| 30-1626 (Capital Improvement Projects-Taylor Ranch Purchase) | -0- | \$203,650 | -0- | \$203,650 |

*7610101-
was more than
finely expressed and
as cost for
Taylor Ranch
land was not
on RRR
works
E
12/1/12*


SECTION 3. That the Secretary shall certify to the adoption
of this Resolution and shall deliver a certified copy hereof to the
City Administrator and to the Director of Finance.

ADOPTED AND APPROVED THIS 26th DAY OF JUNE

, 1978.


CHAIRMAN

ATTEST:


SECRETARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF MONTEBELLO)

I, Terry L. James, Secretary of the Community Redevelopment Agency of the City of Montebello, do hereby certify that the foregoing resolution was duly adopted by the Agency at a regular meeting thereof held on the 26th day of June 1978, by the following vote:

AYES: Agencymembers: Hensel, Nighswonger, Payan, Ramos,
 Tafoya

NOES: Agencymembers: None

ABSENT: Agencymembers: None.


Secretary

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MONTEBELLO CITY HALL
1600 BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA

MONDAY
JUNE 26, 1978
7:30 O'CLOCK P.M.

The City Council of the City of Montebello met at the above time and place in regular session.

OPENING SESSION

The Meeting was called to order by Mayor Richard Tafoya and the City Clerk called roll as follows:

| | |
|-------------------------|-----------------------------------------------------------------------------|
| COUNCIL MEMBERS PRESENT | Hensel, Nighswonger, Payan, Ramos and Tafoya |
| COUNCIL MEMBERS ABSENT | None |
| STAFF PRESENT | City Administrator Pederson City Attorney Flandrick City Clerk Raines |

The Flag Salute was led by Mayor Tafoya with Reverend John Allred of Park Avenue Christian Church reciting the invocation.

Mayor Tafoya presented the following employees with service pins for their years with the City: Boniface Koszut, 15 years; Everett Sosa, 10 years; Robert Retz, 10 years; Tom Ortega, 10 years with the City.

APPROVAL OF AGENDA Councilman Ramos moved, seconded by Councilwoman Hensel that all items with the exception of items 8, 9, 12, 13, 14, 15, 16, 22, 30, 31, 32, 33, 34, 35, 36, and 37 be approved as recommended by the City Administrator. Carried unanimously.

SCHEDULED MATTERS

PUBLIC HEARING -

TENTATIVE TRACT NO. 34248
REVISED; HPR-1-77 REVISED
(CALPROP-28 PARTNERSHIP)

Mayor Tafoya announced that this was the time set for the Calprop Partnership public hearing.

The City Clerk stated for the record that this public hearing had been noticed by law and that no written communications had been received relative thereto.

City Planner Yoshihara stated that the applicant is requesting approval for the conversion of 212 apartments into 212 condominiums and is opposed to the storm drain and development tax conditions.

Discussion on the drain pipe condition revealed that the requirement came about as a result of the flooding in that area, and that the requirement is for a concrete pipe where a corrugated pipe presently exists. Following discussion on the City's obligation to advise the occupants of the public hearing, Planner Yoshihara explained that all legal requirements were satisfied with the property owner notification.

It was noted by JACK BRYANT, Consulting Engineer, 444 North Ocean Boulevard, Long Beach, that the renters' needs were not ignored as conditions were worked out to preserve the parking, swimming pool, etc. He is opposed to the storm drain and development tax as \$25,000 and \$75,000, respectively, would have to be paid and,

in addition, the storm drain services only the adjacent property and would be more applicable to a new building project rather than to a conversion.

GAIL LONG, 1737 Neil Armstrong Street, renter, stated that this public hearing is lacking tenant representation as they were not aware of the hearing, and that her budget does not allow for the purchase of a condominium.

There being no one else present wishing to testify, the public hearing was closed.

Councilman Nighswonger moved, seconded by Councilwoman Hensel, that Council find that Tentative Tract No. 34248 (Revised) and HPR-1-77 (Revised) will not have a significant effect on the environment and approve a negative declaration; approve the proposed findings on data sheet No. 3; approve Tentative Tract No. 34248 (Revised) and HPR-1-77 (Revised) subject to conditions of approval contained in Planning Commission Resolution No. PC-14-78, and that the Homeowners Association replace and maintain drain pipe and instruct the City Attorney to re-write the Conditions, Covenants and Restrictions.

Motion carried by the following roll call vote:

AYES: Hensel, Nighswonger, Ramos, Tafoya NOES: Payan

COMMISSION/COMMITTEE VACANCIES

Nominations for the Joint Powers
Authority were held over.

Nominations for the Park & Recreation Commission were opened with Councilman Nighswonger nominating Mike Addante, Robert Capps, Al Heinzel and Herbert Stearns for a new term. Carried unanimously.

Nominations for the Planning Commission were opened.

Councilman Nighswonger nominated Martin Koffman & Ray Michalek.

Councilman Ramos nominated Manuel Haro.

By majority lot vote, Martin Koffman was reappointed and Manuel Haro was appointed to the Planning Commission for a new term.

Nominations for the Traffic & Safety Commission were opened.

Councilman Payan nominated William Villareal.

Councilman Nighswonger nominated Paul Hernandez & Len Castle.

Mayor Tafoya nominated Lou Zapien.

By majority lot vote, Lou Zapien was appointed to the Traffic & Safety Commission.

Mayor Tafoya suggested that any future vacancies be advertised in the local newspapers.

BID AWARD RECOMMENDATION BID NO. 78-4 LEGAL ADVERTISING

Councilman Ramos moved, seconded by Councilwoman Hensel that the bid be awarded to the Montebello Messenger as the lowest qualified bidder, as detailed in June 13, 1978 Finance Department report. Carried unanimously.

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NEW BUSINESS**TRAFFIC SIGNAL ENERGY COST**

Councilman Ramos moved, seconded by Councilwoman Hensel, that \$5,000 be appropriated from the Gas Tax Fund and that Resolution No. 78-101 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AUTHORIZING THE APPROPRIATION OF FUNDS, (\$5,000), be adopted. Carried unanimously.

RENEWAL OF EXCESS WORKER'S COMPENSATION COVERAGE

Conversation commenced with focus on combining the worker's comp insurance with the CETA program insurance, with Assistant City Administrator/Employee Relations Franz affirming the combination possibility, at the same time noting that the negative aspects would be the City's having to set up its own accounting system to insure that CETA costs are reimbursed by the Federal Government.

Councilman Payan moved, seconded by Councilman Ramos, that the quotation of Employers Reinsurance Corporation in the amount of \$19,334 for a \$250,000 retention be accepted. Carried unanimously.

RENEWAL OF FRANCHISE TO THE LOS ANGELES AND SALT LAKE RAILROAD COMPANY AND THE UNION PACIFIC COMPANY

Discussion disclosed that the City shares the cost of the blinking lights at the inter-sections with the railroad company as they are used partially for controlling traffic. This item was deferred as the City Attorney will investigate possible inclusion of Bluff Road in the franchise.

RENEWAL OF INSURANCE COVERAGE CETA PROGRAM

This item was discussed as part of RENEWAL OF EXCESS WORKER'S COMPENSATION COVERAGE, above.

Councilman Payan moved, seconded by Councilman Ramos, that the renewal quotation from National Indemnity submitted by the insurance brokerage firm of Chapman & Associates, Inc., in the amount of \$32,694, be approved. Carried unanimously.

REPROGRAMMING OF 1977-78 CETA TITLE I MONIES

A short discussion transpired on the number of people these monies would fund and on the formula used for allocation. It was clarified that the funds cannot be used for anything else other than CETA programs.

Councilman Payan moved, seconded by Mayor Tafoya that the recommendation of the Montebello Manpower Services Advisory Council for reprogramming of the program year 1977-78 monies be approved as stipulated. Carried unanimously.

ENCROACHMENT LICENSE FOR THE MONTEBELLO MART

The problem was described as one where the City takes over a piece of property with a building situated on it, with the property and the building having different owners. The building owner's lease with the owner of the property would be cancelled and there would be damages against the property owner, with the City being obligated to pay the remaining amount of the lease.

Staff and the City Attorney believe it would be more economical to condemn the property with the City paying for the building and the land, if the property is needed in the future.

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DON BOWERS, 617 South Olive, Los Angeles, Wayne Ratkovich & Sons, requested that Council honor Staff's recommendation to modify the agreement and that they will be happy to dedicate the land that is unproductive, but requested retaining usage of the bank parking lot which is vital to the bank.

Councilman Ramos moved, seconded by Councilman Nighswonger to refer the matter back to the Planning Commission and request that the condition of dedication included in the CUP be modified to delete the areas identified on the attached Exhibit C. Carried unanimously.

URBAN OPEN-SPACE BLOCK
GRANT APPLICATION

Councilman Ramos moved, seconded by Councilwoman Hensel, that Resolution No. 78-102 entitled,

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO RELATING TO THE NEED BASIS GRANT FUNDS UNDER THE URBAN OPEN SPACE AND RECREATION PROGRAM, be adopted, and that staff be directed to submit the required documents for the Urban Open-Space Block Grant Program. Carried unanimously.

REIMBURSEMENT OF STATE GAS
TAX FUND - TAYLOR RANCH SITE
ACQUISITION

Councilman Ramos moved, seconded by Councilwoman Hensel, that Resolution No. 78-103 entitled,

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AUTHORIZING THE APPROPRIATION OF FUNDS, (\$203,650), from the Montebello Hills CRA Reserve to the Special Gas Tax Funds, be adopted. Carried unanimously.

APPROPRIATION OF FUNDS - BUILDING
MAINTENANCE - REPAIR OF AIR
CONDITIONING SYSTEM

Councilman Ramos moved, seconded by Councilwoman Hensel, that Resolution No. 78-104 and 78-104A both entitled, "A RESOLUTION OF

THE CITY COUNCIL OF THE CITY OF MONTEBELLO AUTHORIZING THE APPROPRIATION OF FUNDS (\$17,125) and (\$13,650), respectively, be adopted. Carried unanimously.

ROUTINE MATTERS

PRESENTATION OF THE 6/30/77
FINANCIAL STATEMENTS FOR CITY AND
CRA, PLUS AUDITORS' COMMENTS ON
INTERNAL CONTROLS

Councilman Ramos moved, seconded by Councilwoman Hensel, that Council note and file. Carried unanimously.

RELOCATION SERVICES AGREEMENT

Councilman Ramos moved, seconded by Councilwoman Hensel, that the agreement for Relocation

Services between the City and Port and Flor, Inc., be approved. Carried unanimously.

SALARY AND BENEFIT CHANGES

Councilman Ramos asked why Council action was required at this time

instead of presentation at budget sessions with City Administrator Pederson responding that the only intent expressed is that discussion will be conducted, and that the option for Council to make pay retroactive to July 1 is kept open.

Councilman Ramos requested that the words "if any" be added to Staff's recommendation.

Mayor Tafuya moved, seconded by Councilman Ramos that Council's indication of its intent to proceed with Salary/benefit discussions with employees with the understanding that pay increases, if any, as a result of the process may be effective July 1, 1978, be approved. Carried unanimously.

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-5-

SENIOR CITIZENS AFFAIRS COMMITTEE Councilman Ramos moved, seconded by Councilwoman Hensel that the agreement with the Senior Citizens Affairs Committee be approved and authorize execution of same. Carried unanimously.

RELEASE OF FAITHFUL PERFORMANCE BOND FOR TRACT NO. 28688 W & B BUILDERS; NEIL ARMSTRONG DRIVE AND ARROYO DRIVE Councilman Ramos moved, seconded by Councilwoman Hensel that the City Council accept the improvements constructed by W & B Builders within dedicated rights of way, but not within private streets, in connection with Tract No. 28688 and that W & B Builders be required to maintain \$8,800 posted with the City for the required one year guarantee. Carried unanimously.

APPROVAL OF MINUTES Councilman Ramos moved, seconded by Councilwoman Hensel that the minutes of the April 24, 1978 City Council meeting be approved. Carried unanimously.

PAYMENT OF BILLS Councilman Ramos moved, seconded by Councilwoman Hensel that Resolution No. 78-105 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS" approving warrants nos. 20194 through 20451, be adopted. Carried unanimously.

RESOLUTION APPROVING A TENTATIVE SUBDIVISION TRACT MAP FOR TENTATIVE TRACT NO. 34882 (APPLICANT: WILLIAM MOLINARI, c/o CASA BELLA CONSTRUCTION COMPANY) Councilman Ramos moved, seconded by Councilwoman Hensel that Resolution No. 78-106 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING A TENTATIVE SUBDIVISION TRACT MAP FOR TENTATIVE TRACT NO. 34882 (APPLICANT: WILLIAM MOLINARI, c/o CASA BELLA CONSTRUCTION COMPANY), be adopted. Carried unanimously.

RESOLUTION APPROVING A CERTAIN HILLSIDE PLAN (APPLICANT: RONALD H. GABRIEL: HPR-1-78) Councilman Ramos moved, seconded by Councilwoman Hensel that Resolution No. 78-107 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING A CERTAIN 'HILLSIDE PLAN' (APPLICANT: RONALD H. GABRIEL: HPR-1-78) be adopted. Carried unanimously.

ORDINANCE FOR INTRODUCTION RECLASSIFYING CERTAIN HEREIN DESCRIBED REAL PROPERTY FROM ZONE C-2 TO ZONE R-3-D-14. (APPLICANT: ANTHONY RODENAS) Councilman Ramos moved, seconded by Councilwoman Hensel that reading of Ordinance entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO RECLASSIFYING CERTAIN HEREIN DESCRIBED REAL PROPERTY FROM ZONE C-2 TO ZONE R-3-D-14. (APPLICANT: ANTHONY RODENAS; LOCATION: 437 SOUTH MONTEBELLO BOULEVARD; CASE NO. ZC-1-78), be waived and introduce the ordinance. Carried unanimously.

ORDINANCE FOR PASSAGE:
AMENDING THE MUNICIPAL CODE
RELATING TO THE IMPOSITION OF
BUSINESS LICENSE TAXES

This item was eliminated.

ORDINANCE FOR PASSAGE:
AMENDING VI, CHAPTER 6,
SECTION 6632 OF THE MONTEBELLO
MUNICIPAL CODE, RELATING TO
TRANSIENT OCCUPANCY TAX

The ordinance was described briefly. Councilman Nighswonger moved, seconded by Councilman Ramos that reading of the ordinance No. 1670 entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING VI, CHAPTER 6, SECTION 6632 OF THE MONTEBELLO MUNICIPAL CODE, RELATING TO TRANSIENT OCCUPANCY TAX, be waived and pass the ordinance. Carried unanimously.

ORDINANCE FOR PASSAGE:
AMENDING ARTICLE VI,
CHAPTERS 1 AND 2 OF THE
MONTEBELLO MUNICIPAL CODE
RELATING TO BUSINESS LICENSE
TAXES

Includes several items under business license ordinances under one code provision, such as fuel tax, rubbish vehicle tax, apartment tax, oil production tax, underground natural gas storage tax.

JIM LILLY, Southern California Gas Company, 6637 South Bright, Whittier, read a letter from the Gas Company opposing the substantial amount of the proposed business license tax, and felt the City could cut more expenditures as in the past without losing the "quality of life". He stated that some of the cost should be shifted to the residents and doubted the tax could be legally imposed.

City Attorney Flandrick noted that there is some question as to the legality of the tax and, therefore, there are risks if adopted.

A lengthy discussion continued on whether the tax could be reduced later if Council votes on the ordinance at this meeting, with the City Attorney responding that the risk is the Courts might interpret the action as a modification; i.e., cancellation of the old fee and presentation of a new one. However, he believes this is a reasonable risk to take. In response to a question, the City Attorney responded that if litigation against the City materializes, and the City loses, that the courts would probably order repayment of the tax.

HENRY MORSE, 925 South 4th Street, JAMES SHIVERS, 1219 Westside Drive, and ROSE AKOBOFF, 2717 Via Paseo, Montebello, all verbally opposed the business license tax.

In response to Councilwoman Hensel's remarks, Councilman Ramos stated that in his opinion Council did not act in panic. That after all, difficult decisions had to be made with many hours spent in study and several meetings held for citizen input and discussion.

Councilman Ramos moved, seconded by Councilman Payan that reading of Ordinance No. 1671 entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING VI, CHAPTERS 1 AND 2, OF THE MONTEBELLO MUNICIPAL CODE RELATING TO BUSINESS LICENSE TAXES," be waived and pass the ordinance.

Motion carried by the following roll call vote:
AYES: Payan, Ramos, Tafoya NOES: Hensel, Nighswonger

ORDINANCE FOR PASSAGE:
ENACTING ARTICLE V, CHAPTER 4
OF THE MONTEBELLO MUNICIPAL CODE,
RELATING TO FIRE SERVICE CHARGE

A question was asked whether the fee could be interpreted as being double taxation with the City Attorney responding doubt as to its legality as a charge or a tax, and that its validity has never been tested. This item was eliminated.

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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING CERTAIN PROVISIONS OF THE MONTEBELLO MUNICIPAL CODE RELATING TO BUILDING REGULATIONS

Councilman Payan moved, seconded by Councilman Ramos that reading of ordinance entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING CERTAIN PROVISIONS OF THE MONTEBELLO MUNICIPAL CODE

RELATING TO BUILDING REGULATIONS, be waived and introduce the ordinance.

Motion carried by the following roll call vote:

AYES: Payan, Ramos, Tafoya NOES: Hensel, Nighswonger

The City Attorney requested that the minutes show that there was no obligation to waive reading, but to introduce the ordinance.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING CERTAIN PROVISIONS OF THE MONTEBELLO MUNICIPAL CODE WITH REFERENCE TO PERMITS AND CONNECTION FEES

This item was held over for clarification.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING ORDINANCE NO. 1499 RELATING TO THE USE OF CERTAIN FEES AND AMENDING SECTION 6203 OF THE MONTEBELLO MUNICIPAL CODE RELATING TO SAID FEES.

According to Finance Director Mitsuuchi, this ordinance does not increase any fees -- only broadens the use.

Councilman Nighswonger moved, seconded by Councilman Payan that reading of Ordinance No. 1672

entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING ORDINANCE NO. 1499 RELATING TO THE USE OF CERTAIN FEES AND AMENDING SECTION 6203 OF THE MONTEBELLO MUNICIPAL CODE RELATING TO SAID FEES," be waived, introduce and pass the ordinance. Carried unanimously.

ORDINANCE FOR PASSAGE:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO ENACTING ARTICLE V, CHAPTER 4, OF THE MONTEBELLO MUNICIPAL CODE, RELATING TO FIRE SERVICE CHARGE

This item was eliminated; doubt as to its legality.

COUNCIL ORALS

Pursuant to Assistant City Administrator/Employee Relations' letter dated May 22, 1978, COUNCILMAN RAMOS moved, seconded by COUNCILWOMAN HENSEL, that Council appeal action taken by the Civil Service Commission on a police department employee.

Motion carried by unanimous roll call vote.

The 1978-79 budget was handed out to Council and the press on CITY ADMINISTRATOR PEDERSON'S request and dates for budget review were set for July 6 and 7 at 7 P.M.

In response to a question by MAYOR TAFOYA, the City Engineer stated that the traffic buttons on Vail Avenue have been installed.

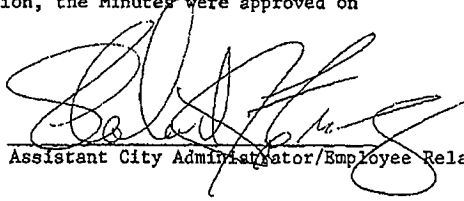
EXECUTIVE SESSION

Council convened into Executive Session at 11:20 o'clock P. M. to discuss a litigation matter on purchase of property.

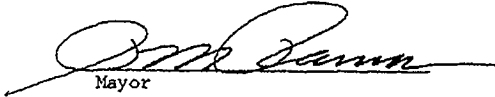
Council reconvened into Regular Session at 11:25 o'clock P. M. with all members present.

Upon motion, the meeting was adjourned at 11:45 o'clock P. M.

MINUTES' APPROVAL. Upon motion, the Minutes were approved on
August 14, 1978.



Assistant City Administrator/Employee Relations



Mayor

EXHIBIT T

NEW ISSUE –BOOK-ENTRY-ONLY

RATINGS

S&P: BBB+

(See “CONCLUDING INFORMATION – Rating on the Bonds” herein)

In the opinion of Quint & Thimmig LLP, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, and (iii) is not taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “LEGAL MATTERS - Tax Matters” herein.

LOS ANGELES COUNTY

STATE OF CALIFORNIA

\$10,495,000

**COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
MONTEBELLO
MONTEBELLO HILLS REDEVELOPMENT PROJECT
TAX ALLOCATION BONDS, 2009 SERIES A
(SUBORDINATE LIEN)**

Dated: Date of Delivery

Due: March 1 as Shown on the Inside Front Cover

The cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See “BONDHOLDERS’ RISKS” herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

Proceeds from the sale of the Community Redevelopment Agency of the City of Montebello (the “Agency”), Montebello Hills Redevelopment Project, Tax Allocation Bonds, 2009 Series A (Subordinate Lien) (the “Bonds”) will be used to (i) finance redevelopment activities of benefit to the Montebello Hills Redevelopment Project, (ii) satisfy the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds.

The Bonds will be issued under an Indenture of Trust, dated as of April 1, 2009 (the “Indenture”), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., (the “Trustee”). The Bonds are special obligations of the Agency and are payable solely from and secured by a pledge of certain tax increment revenues of the Agency’s Montebello Hills Redevelopment Project (the “Project Area”) on a basis subordinate to certain other obligations of the Agency as described herein, and a pledge of amounts in certain funds and accounts established under the Indenture, as further discussed herein.

Interest on the Bonds is payable on September 1, 2009, and semiannually thereafter on March 1 and September 1 of each year until maturity or earlier sinking account payment or optional redemption (see “THE BONDS - General Provisions” and “THE BONDS – Redemption” herein).

The Bonds are being issued for sale to the Montebello Public Financing Authority which is concurrently selling the Bonds to the Underwriter. The Bonds are being offered when, as and if issued, subject to the approval as to their legality by Quint & Thimmig LLP, San Francisco, California, Bond Counsel. Certain legal matters will be passed on for the Agency by Quint & Thimmig LLP, San Francisco, California, as Disclosure Counsel and by Alvarez-Glasman & Colvin, Attorneys At Law, City of Industry, California, as Agency Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about April 28, 2009 (see “APPENDIX G – DTC AND THE BOOK-ENTRY-ONLY SYSTEM” herein).

The date of the Official Statement is April 15, 2009.

WULFF, HANSEN & CO.
Established 1931
INVESTMENT BANKERS

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THE FINANCING PLAN

Under the provisions of the Indenture, the Trustee will receive the proceeds from the sale of the Bonds, together with other available funds and will apply them as shown below.

Sources of Funds

| | |
|-------------------------|------------------------|
| Par Amount of Bonds | \$10,495,000.00 |
| Original Issue Discount | <u>(109,316.70)</u> |
| Net Source of Funds | <u>\$10,385,683.30</u> |

Uses of Funds

| | |
|---------------------------------------|------------------------|
| Redevelopment Fund | \$ 9,000,000.00 |
| Reserve Account | 1,049,500.00 |
| Underwriter's Discount | 157,425.00 |
| Costs of Issuance Fund ⁽¹⁾ | <u>178,758.30</u> |
| Total Use of Funds | <u>\$10,385,683.30</u> |

⁽¹⁾ Expenses include fees and expenses of Bond Counsel, the Financial Advisor, Disclosure Counsel and the Trustee, costs of printing the Official Statement, rating fees, and other costs of issuance of the Bonds.

Deposit to the Redevelopment Fund. Proceeds deposited in the Redevelopment Fund will be used to fund certain redevelopment activities of the Agency. These activities are expected to include the Taylor Ranch Community Center construction, street construction and other public improvements and equipment.